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Chief Administrative Officer

County of Los Angeles CHIEF ADMINISTRATIVE OFFICE

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October 8, 2003

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

WORKERS' COMPENSATION MEDICAL AND DISABILITY MANAGEMENT AND COST CONTAINMENT SERVICES CONTRACTS - (3 VOTES)

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve, and instruct the Chair to sign, the attached three contracts for the provision of workers' compensation medical and disability management and cost containment services with ComplIQ Corp (ComplIQ), CorVel Corporation (CorVel), and Diversified HealthCare Services, Inc. (DHS); for the period from November 7, 2003 through November 6, 2006, with two optional one-year extensions; for an estimated first-year cost of \$10,560,000.
2. Authorize the Chief Administrative Officer (CAO) to exercise the optional one-year contract extensions.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The current amended contract with CorVel expires November 6, 2003. A Request for Proposal (RFP) for medical and disability management services was issued on January 27, 2003. Six proposals were evaluated and the three highest ranked proposers entered into negotiations for final contracts to be approved by the Board of Supervisors.

Approval of these contracts will enable the CAO to continue to provide cost containment services to the County of Los Angeles' (County) workers' compensation third party administrators and injured workers. These cost containment services are necessary to

Honorable Board of Supervisors
October 8, 2003
Page 2

reduce workers' compensation medical charges to the California Official Medical Fee Schedule, achieve additional reductions by accessing Preferred Provider Organizations' networks and assure injured County employees receive timely, quality and economical care.

Implementation of Strategic Plan Goals

The medical and disability management services provided by the contractors promotes and furthers the Board-approved Strategic Plan goals of Workforce Excellence, Organizational Effectiveness, and Fiscal Responsibility by facilitating the CAO's goal of establishing a risk management process emphasizing effective loss prevention, cost containment, and claims management.

FISCAL IMPACT/FINANCING

The cost for medical and disability management services will continue to be paid from the Workers' Compensation Trust Fund. Currently, these services achieve annual estimated savings of \$90 million, more than offsetting contract fees.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

In 1996, an outside consulting firm recommended the County establish a comprehensive medical and disability management program that would integrate medical fee review services with Preferred Provider Organization (PPO) networks, nurse case management and 24-hour claim reporting. Subsequent review by a second County consultant in 2001 resulted in the same recommendation that the County continue contracting for these services. On July 30, 2002, the Director of Personnel delegated the Director of Personnel's authority under the Los Angeles County Code Section 5.31.050 to the Chief Administrative Officer.

The State of California establishes an Official Medical Fee Schedule for workers' compensation medical billings. While self-insured employers (like the County) and insurers are not required by law to follow the fee schedule and may pay more than fee

Honorable Board of Supervisors
October 8, 2003
Page 3

schedule, considerable savings are achieved by reducing medical billings to the Official Medical Fee Schedule. Virtually all sound workers' compensation programs employ a service to reduce its medical bills. Similarly, PPO's achieve additional reductions in billings below Official Medical Fee Schedule and are utilized by efficient workers' compensation programs. Medical and disability management services, also, provide nurse specialists trained in workers' compensation to work with the medical provider to expeditiously return an injured employee to productive work.

County Counsel approved the Contracts as to form. The County may terminate the contracts if sufficient funds are not available.

Living Wage Program requirements do not apply to this non-Proposition A contract.

The Community Business Enterprise (CBE) information form is shown as Attachment 1. One of the contractors, DHS, is certified as an eligible participant in the CBE Program. However, on final analysis and consideration of award, ComplIQ, CorVel, and DHS were selected without regard to gender, race, or creed.

CONTRACTING PROCESS

The CAO Risk Management Branch issued a Request for Proposal (RFP) for Workers' Compensation Medical and Disability Management and Cost Containment Services on January 27, 2003.

The RFP was posted on the County of Los Angeles' Website (Attachment 2). An Invitation to Submit Proposal was mailed to a list of 36 vendors including nine vendors from the Office of Affirmation Action Compliance, County-certified Community Business Enterprise (CBE) participating vendors listing (Attachment 3). The RFP was advertised in the *Los Angeles Times*, *Los Angeles Sentinel*, *La Opinion*, and *Acton/Agua Dulce* newspapers.

A proposers' conference was conducted on February 7, 2003. Thirty-three companies attended that conference. Six proposals were submitted by the due date of February 28, 2003.

Honorable Board of Supervisors
October 8, 2003
Page 4

Two evaluation phases were conducted:

- Phase One, the Minimum Requirements Phase, was conducted by the CAO staff and consisted of verification of all minimum requirements and included a financial capability assessment by the Auditor-Controller (A-C).
- The second phase evaluation consisted of a technical review. The Technical Evaluation Committee was comprised of staff of the Department of Health Services, the Sheriff Department, the Fire Department, and the Department of Public Works, in addition to CAO staff possessing workers' compensation expertise. Consultants from Garner Consulting participated in this phase as subject matter experts and facilitators. The committee ranked the six proposers. Independent rankings by Garner Consulting were very similar to those of the committee. The highest ranking proposer, CorVel, was invited in March 2003, to enter into preliminary negotiations.

However, since March 2003, RFP process issues arose requiring further attention by the CAO before a contract could be brought to the Board. The A-C reviewed the RFP process and made certain recommendations. In accordance with the A-C's recommendations, the Technical Evaluation Committee reconvened and resolved the matters raised by the A-C. Because the CorVel contract expired on July 6, 2003, and the County needed to undertake additional steps before new contracts could be negotiated, an extension to the CorVel contract was necessary. On June 17, 2003, your Board approved a month-to-month extension of the CorVel contract.

On June 30, 2003, the CAO notified RFP proposers whether or not each proposer was qualified to enter into preliminary negotiations, and that an appeal process was available. Additionally, the CAO informed the three highest ranked proposers the CAO was considering allocating the medical and disability management and cost containment services contract between those three proposers.

Honorable Board of Supervisors
October 8, 2003
Page 5

The CAO received two appeals from the following two firms:

1. CorVel: appeal submitted on behalf of CorVel through the law firm of Reed Smith Crosby Heafey
2. Health Net Plus

An Appeal Committee convened on July 16, 2003, to hear and consider the CorVel and Health Net Plus appeals and obtain responses from the CAO. The Committee was comprised of representatives from the Internal Services Department, Department of Human Resources and Department of Public Works.

The Appeal Committee concluded:

1. The CAO's decision to recommend awarding contracts to more than one contractor is consistent with the provisions of the RFP.
2. After a debriefing by CAO representatives, Health Net Plus withdrew its appeal and no further action was necessary.

On July 30, 2003, the Appeal Committee's report was submitted to each appellant. Because no deficiencies were found by the Appeal Committee, the CAO began preliminary negotiations with the three highest proposers on August 1, 2003.

On August 19, 2003, your Board approved a two-month extension to the CorVel medical and disability management services contract to allow for these negotiations to conclude and facilitate implementation of new contracts. This two-month extension was for the September 7, 2003 through November 6, 2003, period. Accordingly, the new medical and disability and cost containment contracts should be effective November 7, 2003.

Honorable Board of Supervisors
October 8, 2003
Page 6

The evaluation committee's final order of rank among ComplQ, DHS and CorVel is:

<u>Order of Rank</u>	<u>Proposer/Contractor</u>
First	CorVel
Tied for Second	DHS and ComplQ

Accordingly, the CAO recommends CorVel be awarded 50.0% of the workers' compensation medical and disability management and cost containment services; and, DHS and ComplQ each be awarded 25.0%. This arrangement allows for the assumption of work by another contractor should it become necessary to assure uninterrupted continuation of these critical services.

The County currently contracts with three workers' compensation third party administrators (TPAs). Those TPAs are TriStar Risk Management (TriStar), Cambridge Integrated Services Group, Inc. (Cambridge) and Crawford & Company of California, Inc. (Crawford). TriStar adjusts approximately 50.0% of the County's workers' compensation claims; and Cambridge and Crawford each adjust approximately 25.0% of the County's workers' compensation claims. Accordingly, one specific contractor would be assigned to one specific TPA.

<u>Claims Third Party Administrator</u>	<u>Corresponding Proposer/Contractor</u>	<u>Approximate Percent</u>
TriStar	CorVel	50.0%
Cambridge	ComplQ	25.0%
Crawford	DHS	25.0%

IMPACT ON CURRENT SERVICES (OR PROJECTS)

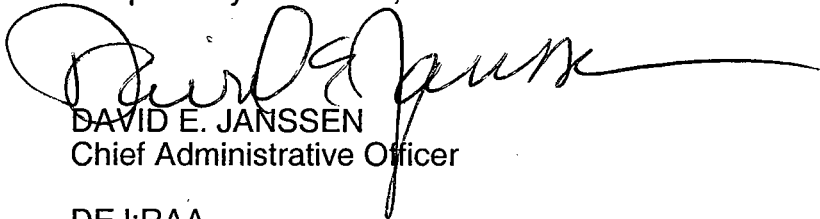
None; approval of these contracts provides for the continuation of existing services.

Honorable Board of Supervisors
October 8, 2003
Page 7

CONCLUSION

Please sign three copies of the attached contracts and return two copies to the CAO Risk Management Branch, attention Rocky Armfield, County Risk Manager.

Respectfully submitted,



DAVID E. JANSSEN
Chief Administrative Officer

DEJ:RAA
CSS:AMR

Attachments

c: County Counsel
Auditor-Controller

**County of Los Angeles – Community Business Enterprise Program (CBE)
Request for Local SBE Preference Program Consideration and
CBE Firm/Organization Information Form**

INSTRUCTIONS: All proposers/bidders responding to this solicitation must complete and return this form for proper consideration of the proposal/bid.

I. LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE PROGRAM:

FIRM NAME: ComplIQ Corp

☒ I AM NOT ☐ A Local SBE certified by the County of Los Angeles Office of Affirmative Action
☐ I AM Compliance as of the date of this proposal/bids submission.

☐ As an eligible Local SBE, I request this proposal/bid be considered for the Local SBE Preference.

My County (WebVen) Vendor Number : 11259901

II. FIRM/ORGANIZATION INFORMATION: The information requested below is for statistical purposes only. On final analysis and consideration of award, contractor/vendor will be selected without regard to race/ethnicity, color, religion, sex, national origin, age, sexual orientation or disability.

Business Structure: <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Non-Profit <input type="checkbox"/> Franchise <input type="checkbox"/> Other (Please Specify) _____						
Total Number of Employees (including owners): <u>34</u>						
Race/Ethnic Composition of Firm. Please distribute the above total number of individuals into the following categories:						
Race/Ethnic Composition	Owners/Partners/ Associate Partners		Managers		Staff	
	Male	Female	Male	Female	Male	Female
Black/African American						1
Hispanic/Latino				1		2
Asian or Pacific Islander					5	1
American Indian						
Filipino						
White	3	2	3	2	5	8

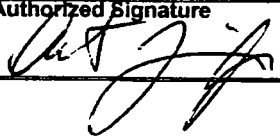
III. PERCENTAGE OF OWNERSHIP IN FIRM: Please indicate by percentage (%) how ownership of the firm is distributed.

	Black/African American	Hispanic/Latino	Asian or Pacific Islander	American Indian	Filipino	White
Men	%	%	%	%	%	48%
Women	%	%	%	%	%	52%

IV. CERTIFICATION AS MINORITY, WOMEN, DISADVANTAGED, AND DISABLED VETERAN BUSINESS ENTERPRISES: If your firm is currently certified as a minority, women, disadvantaged or disabled veteran owned business enterprise by a public agency, complete the following and attach a copy of your proof of certification. (Use back of form, if necessary.)

Agency Name	Minority	Women	Dis-advantaged	Disabled Veteran	Expiration Date

V. DECLARATION: I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE ABOVE INFORMATION IS TRUE AND ACCURATE.

Print Authorized Name	Authorized Signature	Title	Date
Art Zeiner, Jr.		President	2-26-2003

County of Los Angeles – Community Business Enterprise Program (CBE)

Request for Local SBE Preference Program Consideration and
CBE Firm/Organization Information Form

INSTRUCTIONS: All proposers/bidders responding to this solicitation must complete and return this form for proper consideration of the proposal/bid.

I. **LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE PROGRAM:**FIRM NAME: **CorVel Healthcare Corporation**

☒ I AM NOT ☐ A Local SBE certified by the County of Los Angeles Office of Affirmative Action Compliance as of the date of this proposal/bids submission.

☐ I AM☐ As an eligible Local SBE, I request this proposal/bid be considered for the Local SBE Preference.

My County (WebVen) Vendor Number : _____

II. **FIRM/ORGANIZATION INFORMATION:** The information requested below is for statistical purposes only. On final analysis and consideration of award, contractor/vendor will be selected without regard to race/ethnicity, color, religion, sex, national origin, age, sexual orientation or disability.

Business Structure: ☐ Sole Proprietorship ☐ Partnership ☒ Corporation ☐ Non-Profit ☐ Franchise
☐ Other (Please Specify) _____

Total Number of Employees (including owners): **3215**

Race/Ethnic Composition of Firm. Please distribute the above total number of individuals into the following categories: (See attached Workforce Analysis Form)

Race/Ethnic Composition	Owners/Partners/ Associate Partners		Managers		Staff	
	Male	Female	Male	Female	Male	Female
Black/African American	N/A	N/A	14	15	27	226
Hispanic/Latino			14	14	37	198
Asian or Pacific Islander			6	8	26	84
American Indian			0	0	0	9
Filipino			N/A	N/A	N/A	N/A
White			91	226	287	1933

III. **PERCENTAGE OF OWNERSHIP IN FIRM:** Please indicate by percentage (%) how ownership of the firm is distributed. N/A CorVel is publicly traded on the NASDAQ National Market System under the symbol "CRVL".

	Black/African American	Hispanic/Latino	Asian or Pacific Islander	American Indian	Filipino	White
Men	%	%	%	%	%	%
Women	%	%	%	%	%	%

IV. **CERTIFICATION AS MINORITY, WOMEN, DISADVANTAGED, AND DISABLED VETERAN BUSINESS ENTERPRISES:** If your firm is currently certified as a minority, women, disadvantaged or disabled veteran owned business enterprise by a public agency, complete the following and attach a copy of your proof of certification. (Use back of form, if necessary.) N/A

Agency Name	Minority	Women	Dis- advantaged	Disabled Veteran	Expiration Date

V. **DECLARATION:** I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE ABOVE INFORMATION IS TRUE AND ACCURATE.

Print Authorized Name
Debbie Fredricks

Authorized Signature

Title
District Vice PresidentDate
2/28/03

County of Los Angeles – Community Business Enterprise Program (CBE)

**Request for Local SBE Preference Program Consideration and
CBE Firm/Organization Information Form**

INSTRUCTIONS: All proposers/bidders responding to this solicitation must complete and return this form for proper consideration of the proposal/bid.

I. LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE PROGRAM:

FIRM NAME: Diversified HealthCare Services, Inc.

☒ **I AM NOT** ☐ A Local SBE certified by the County of Los Angeles Office of Affirmative Action Compliance as of the date of this proposal/bids submission.

☐ **I AM** ☐ As an eligible Local SBE, I request this proposal/bid be considered for the Local SBE Preference.

My County (WebVen) Vendor Number : _____

II. FIRM/ORGANIZATION INFORMATION: The information requested below is for statistical purposes only. On final analysis and consideration of award, contractor/vendor will be selected without regard to race/ethnicity, color, religion, sex, national origin, age, sexual orientation or disability.

Business Structure: ☐ Sole Proprietorship ☐ Partnership ☒ Corporation ☐ Non-Profit ☐ Franchise
☐ Other (Please Specify) _____

Total Number of Employees (including owners): 105

Race/Ethnic Composition of Firm. Please distribute the above total number of individuals into the following categories:

Race/Ethnic Composition	Owners/Partners/ Associate Partners		Managers		Staff	
	Male	Female	Male	Female	Male	Female
Black/African American				1		6
Hispanic/Latino	1			1	3	8
Asian or Pacific Islander					11	11
American Indian						
Filipino					2	2
White	2	2	6	9	11	29

III. PERCENTAGE OF OWNERSHIP IN FIRM: Please indicate by percentage (%) how ownership of the firm is distributed.

	Black/African American	Hispanic/Latino	Asian or Pacific Islander	American Indian	Filipino	White
Men	%	65.6%	%	%	%	17.2%
Women	%	%	%	%	%	17.2%

IV. CERTIFICATION AS MINORITY, WOMEN, DISADVANTAGED, AND DISABLED VETERAN BUSINESS ENTERPRISES: If your firm is currently certified as a minority, women, disadvantaged or disabled veteran owned business enterprise by a public agency, complete the following and attach a copy of your proof of certification. (Use back of form, if necessary.)

Agency Name	Minority	Women	Dis- advantaged	Disabled Veteran	Expiration Date
County of Los Angeles	78713				11/05/04

V. DECLARATION: I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE ABOVE INFORMATION IS TRUE AND ACCURATE.

Print Authorized Name	Authorized Signature	Title	Date
Victoria Henson	<i>Victoria Henson</i>	Vice President	2/23/03



**COUNTY OF LOS ANGELES
OFFICE OF AFFIRMATIVE ACTION COMPLIANCE**

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 780
Los Angeles, California 90012
(213) 974-1080 / FAX (213) 626-7034
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MEMBERS OF THE BOARD

GLORIA MOLINA
YVONNE BRATHWAITE BURKE
ZEV YAROSLAVSKY
DON KNABE
MICHAEL D. ANTONOVICH

DENNIS A. TAFOYA
Director

November 5, 2002

Mr. Jorge Garratt, President/CEO
Diversified HealthCare Services Inc.
201 E. Sandpointe, #320
Santa Ana, CA 92707

CBE Program I.D.#: 78713

Status: MBE

Dear Mr. Garratt:

Congratulations! Your firm has been recertified as an eligible participant in the County of Los Angeles Community Business Enterprise (CBE) Program. This recertification is valid until November 5, 2004.

The County of Los Angeles Office of Affirmative Action reserves the right to request additional information and/or conduct an on-site visit at any time during the certification process to verify any documentation submitted by the applicant. If there are any changes in ownership or control of the firm during this certification period, you are required to notify this office immediately.

Again, congratulations on your recertification. If you have any questions, please call (213) 974-0912 and refer to the identification number above.

Sincerely,

DENNIS A. TAFOYA
Director

A handwritten signature in cursive script, reading "Marcus V. Castro".

Marcus V. Castro
Senior Deputy Compliance Officer

DAT:MVC

Bid Detail Information

Bid Number : CAO01-023
Bid Title : Workers' Compensation Medical and Disability Management and Cost Containment Services
Bid Type : Service
Department : Chief Administrative Office
Commodity : ADMINISTRATIVE SERVICES, ALL KINDS
Open Date : 1/27/2003
Closing Date : 2/28/2003 5:00 PM
Bid Amount : N/A
Bid Download : Not Available
Bid Description : The County of Los Angeles is issuing a Request for Proposals (RFP) for workers' compensation medical and disability management and cost containment services. Written questions regarding this RFP are due by February 5, 2003. a Mandatory Proposers Conference will be held on February 7, 2003. and proposals are due by 5:00 p.m., February 28, 2003
Contact Name : Ann Rain
Contact Phone# : (213) 738-2199
Contact Email : arain@cao.co.la.ca.us
Last Changed On : 1/29/2003 3:23:09 PM

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2/5/03
g/med and dis/Labels Consultants



CONTRACT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

COMPIQ CORPORATION

FOR

**WORKERS' COMPENSATION
MEDICAL AND DISABILITY MANAGEMENT
AND COST CONTAINMENT SERVICES**

**CONTRACT PROVISIONS
TABLE OF CONTENTS**

PARAGRAPH	TITLE	PAGE
RECITALS		1
1.0	APPLICABLE DOCUMENTS.....	1
2.0	DEFINITIONS.....	3
3.0	WORK PROVIDED BY CONTRACTOR.....	3
4.0	TERM OF CONTRACT	3
5.0	PAYMENT FOR WORK	4
5.1	PAYMENT PURSUANT TO PRICING SCHEDULE.....	4
5.2	NO PAYMENT FOR SERVICES OUTSIDE SCOPE OF STATEMENT OF WORK.....	4
5.3	MONTHLY INVOICE	4
5.4	ADJUSTMENTS TO MONTHLY INVOICES AND TOTAL FEES PAID	5
5.5	ADJUSTMENTS FOR OVERPAYMENT, FINE, PENALTY, OR OTHER COST	5
5.6	NOTICE OF ASSESSMENT OF ADJUSTMENTS TO PAYMENTS.....	6
5.7	MANDATORY DISPUTE ARBITRATION.....	7
5.8	QUALITY CONTROL PLAN.....	8
5.9	ADJUSTMENT PURSUANT TO AUDIT AND RECORD RETENTION REQUIREMENT	9
5.10	ADJUSTMENT FOR FAILURE TO MEET PERFORMANCE REQUIREMENTS..	10
6.0	ADMINISTRATION OF CONTRACT- COUNTY	11
6.1	COUNTY'S CONTRACT ADMINISTRATOR	11
6.2	COUNTY'S CONTRACT MANAGER.....	12
6.3	COUNTY'S CONTRACT MONITOR.....	12
7.0	ADMINISTRATION OF CONTRACT - CONTRACTOR	12
7.1	CONTRACTOR'S PROJECT MANAGER	12
7.2	APPROVAL OF CONTRACTOR'S STAFF	13
7.3	CONFIDENTIALITY	13
8.0	TERMS AND CONDITIONS	13
8.1	ASSIGNMENT AND DELEGATION.....	13
8.2	SUBCONTRACTING	14
8.3	CHANGE NOTICES AND AMENDMENTS	15
8.4	COMPLIANCE WITH APPLICABLE LAW	16
8.5	COMPLIANCE WITH CIVIL RIGHTS LAWS.....	16

**CONTRACT PROVISIONS
TABLE OF CONTENTS**

PARAGRAPH	TITLE	PAGE
8.6	CONFLICT OF INTEREST	16
8.7	CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST	17
8.8	CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS.....	17
8.9	CONTRACTOR'S RESPONSIBILITY AND DEBARMENT.....	17
8.10	CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT.....	19
8.11	CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM.....	19
8.12	COUNTY'S QUALITY ASSURANCE PLAN	19
8.13	EMPLOYMENT ELIGIBILITY VERIFICATION	20
8.14	FAIR LABOR STANDARDS.....	20
8.15	GOVERNING LAW, JURISDICTION, AND VENUE.....	20
8.16	INDEPENDENT CONTRACTOR STATUS	21
8.17	INDEMNIFICATION.....	21
8.18	GENERAL INSURANCE REQUIREMENTS	21
8.19	INSURANCE COVERAGE REQUIREMENTS	24
8.20	PERFORMANCE SECURITY REQUIREMENTS.....	25
8.21	LICENSES, PERMITS, REGISTRATIONS AND CERTIFICATES.....	25
8.22	MOST FAVORED PUBLIC ENTITY	25
8.23	NONDISCRIMINATION IN EMPLOYMENT	25
8.24	NONEXCLUSIVITY	27
8.25	NOTICE OF DELAYS	27
8.26	NOTICE OF DISPUTES	27
8.27	NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT	27
8.28	NOTICES	27
8.29	PUBLIC RECORDS ACT.....	28
8.30	PUBLICITY	28
8.31	NOTICE WHEN 75% CONTRACT AUTHORIZATION INCURRED OR WITHIN SIX MONTHS FROM EXPIRATION OF TERM.....	29

**CONTRACT PROVISIONS
TABLE OF CONTENTS**

PARAGRAPH	TITLE	PAGE
8.32	RECYCLED PAPER	29
8.33	TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN CHILD SUPPORT COMPLIANCE	29
8.34	TERMINATION FOR CONVENIENCE	29
8.35	TERMINATION FOR DEFAULT	31
8.36	TERMINATION FOR IMPROPER CONSIDERATION	32
8.37	TERMINATION FOR INSOLVENCY	33
8.38	TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE	33
8.39	TERMINATION FOR NON-APPROPRIATION OF FUNDS	33
8.40	BUDGET REDUCTIONS	34
8.41	REPORTS AND RECORDS	34
8.42	VALIDITY	34
8.43	WAIVER	34
8.44	WARRANTY AGAINST CONTINGENT FEES	34
8.45	COMPLIANCE WITH JURY DUTY PROGRAM	35
8.46	NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF CONTRACT	37
8.47	AUTHORIZATION WARRANTY	37
8.48	SAFELY SURRENDERED BABY LAW	37
8.49	CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW	37
8.50	INTERPRETATION	38
SIGNATURES		39
EXHIBITS		
A STATEMENT OF WORK		
--Technical Exhibits		
1 Contract Discrepancy Report		
2 Performance Requirements Summary Chart		
3 Data Format		
B PRICING SCHEDULE		
C CERTIFICATION OF INDEPENDENT PRICE DETERMINATION & ACKNOWLEDGEMENT OF RFP RESTRICTIONS		

**CONTRACT PROVISIONS
TABLE OF CONTENTS**

EXHIBITS

- D CERT. NO CONFLICT OF INTEREST
- E CHILD SUPPORT COMPLIANCE PROGRAM CERTIFICATION
- F FAMILIARITY OF THE COUNTY LOBBYIST ORDINANCE PROGRAM

- G L.A. COUNTY COMMUNITY BUSINESS ENTERPRISE PROGRAM
- H PRINCIPAL OWNER INFORMATION (POI) FORM
- I PROPOSER'S EEO CERTIFICATION
- J ATTESTATION OF WILLINGNESS TO CONSIDER GAIN/GROW PARTICIPANTS
- K COUNTY OF LOS ANGELES CONTRACTOR EMPLOYEE
JURY SERVICES PROGRAM

EXHIBITS L1 AND L2 REQUIRED AT TIME OF CONTRACT EXECUTION

- L1 CONTRACTOR EMPLOYEE ACKNOWLEDGMENT AND
CONFIDENTIALITY AGREEMENT
- L2 CONTRACTOR NON-EMPLOYEE ACKNOWLEDGMENT AND
CONFIDENTIALITY
- M COUNTY'S ADMINISTRATION
- N CONTRACTOR'S ADMINISTRATION
- O JURY SERVICE ORDINANCE
- P LISTING OF CONTRACTORS DEBARRED IN LOS ANGELES COUNTY
- Q DOING BUSINESS WITH SMALL BUSINESS
- R SAFELY SURRENDERED BABY LAW

**CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
COMPIQ CORPORATION
FOR
WORKERS' COMPENSATION
MEDICAL AND DISABILITY MANAGEMENT AND
COST CONTAINMENT SERVICES**

This Contract and Exhibits made and entered into this ____ day of _____, 2003 by and between the County of Los Angeles, hereinafter referred to as County and ComplQ Corporation, hereinafter referred to as Contractor. Contractor is located at 2 Pointe Dr., #100, Lake Forest, CA 92630.

RECITALS

WHEREAS, Los Angeles County Code Section 5.31.050 provides that the County establishes, administers, and operates a complete self-insurance workers' compensation program; and

WHEREAS, pursuant to the California Government Code Sections 31000 and 31000.8, County is authorized to contract with private firms to perform such services; and

WHEREAS, the Contractor is a private firm specializing in providing medical and disability management and cost containment services; and

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:

1.0 APPLICABLE DOCUMENTS

Exhibits A, B, C, D, E, F, G, H, I, J, K, L1, L2, M, N, O, P, Q, and R are attached to and form a part of this Contract. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Contract and the Exhibits, or between Exhibits, such conflict or inconsistency shall be

resolved by giving precedence first to the Contract and then to the Exhibits according to the following priority:

- 1.1 EXHIBIT A - Statement of Work
- 1.2 EXHIBIT B - Pricing Schedule
- 1.3 EXHIBIT C - Certification of Independent Price Determination & Acknowledgement of RFP Restrictions
- 1.4 EXHIBIT D - Cert. No Conflict of Interest
- 1.5 EXHIBIT E - Child Support Compliance Program Certification
- 1.6 EXHIBIT F - Familiarity of the County Lobbyist Ordinance Program
- 1.7 EXHIBIT G - L.A. County Community Business Enterprise Program
- 1.8 EXHIBIT H - Principal Owner Information (POI) Form
- 1.9 EXHIBIT I - Proposers EEO Certification
- 1.10 EXHIBIT J - Attestation of Willingness to Consider GAIN/GROW Participants
- 1.11 EXHIBIT K - County of Los Angeles Contractor Employee Jury Services Program
- 1.12 EXHIBIT L1 – Contractor Employee Acknowledgement and Confidentiality Agreement
- 1.13 EXHIBIT L2 – Contractor Non-Employee Acknowledgement and Confidentiality Agreement
- 1.14 EXHIBIT M - County's Administration
- 1.15 EXHIBIT N - Contractor's Administration
- 1.16 EXHIBIT O - Jury Service Ordinance
- 1.17 EXHIBIT P - Listing of Contractors Debarred in Los Angeles County
- 1.18 EXHIBIT Q - Doing Business with Small Business
- 1.19 EXHIBIT R – Safely Surrendered Baby Law

This Contract and the Exhibits hereto constitute the complete and exclusive statement of understanding between the parties, and supersedes all previous Contracts, written and oral, and all communications between the parties relating to the subject matter of this Contract.

2.0 DEFINITIONS

Throughout this Contract, references are made to certain persons, groups, or departments/agencies. For convenience, a description of specific definitions can be found in Exhibit A, Section I, Paragraph 1.0, Definitions.

3.0 WORK PROVIDED BY CONTRACTOR

- 3.1 Pursuant to the provisions of this Contract, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in the Statement of Work, Exhibit A and in any other provision of this Contract.
- 3.2 If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same shall be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever against the County.

4.0 TERM OF CONTRACT

- 4.1 The term of this Contract shall be three (3) years with two one-year optional extensions as described in 4.2 below. The Contract shall commence on November 7, 2003, and terminate on November 6, 2006, following execution by County's Board of Supervisors, unless sooner terminated or extended, in whole or in part, as provided in this Contract.
- 4.2 This Contract may be extended by mutual agreement of the parties for up to two additional one-year periods, for a maximum total Contract term of five (5) years. Such extensions of the term shall not change any other term or condition of the Contract. The Chief Administrative Officer is authorized to act on behalf of the County in agreeing to such extensions.
- 4.3 In the event of expiration of the term of the Contract or termination prior to the expiration of the term of this Contract, the Contractor shall fully cooperate with County to provide for the transition to whatever service replacement method the County determines to be in its best interest.
- 4.4 Upon mutual agreement between County and Contractor, the Contractor shall assume County claims/files from other County Claims Administrators at substantially the same terms of this Agreement.

5.0 PAYMENT FOR WORK

5.1 Payment Pursuant to Pricing Schedule

The County shall pay the Contractor in arrears on a (flat fee or per unit of service) basis as set forth in the Pricing Schedule attached hereto as Exhibit B based on monthly invoices submitted by Contractor and subject to the adjustments and conditions set forth herein.

5.2 No Payment for Services Outside Scope of Statement of Work

The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed outside the scope of the Statement of Work, or for any incidental or administrative expenses whatsoever incurred in or incidental to performance of services within the Statement of Work, except as specified herein.

5.3 Monthly Invoice

5.3.1 Monthly Invoices

The Contractor shall invoice the County monthly in arrears for fees due for the billing period. The invoices shall clearly reflect and provide reasonable detail as determined by the CCA of the services provided as specified in Exhibit A – Statement of Work and elsewhere herein. All invoices under this Contract shall be submitted to the following address:

Chief Administrative Office
Constance S. Sullivan, Assistant Division Chief
Risk Management Branch
3333 Wilshire Boulevard, Suite 1000
Los Angeles, CA 90010
(213) 738-2233
Fax: (213) 637-0822
csulliva@cao.co.la.ca.us

5.3.1.1 The Contractor's invoices shall be priced in accordance with Exhibit B - Pricing Schedule.

5.3.1.2 The Contractor's invoices shall contain the information set forth in Exhibit A - Statement of Work describing the tasks, deliverables, goods, services, work hours, and facility and/or other work for which payment is claimed.

5.3.2 **County Approval of Invoices.** All invoices submitted by the Contractor for payment must have the written approval of the County's Contract Administrator for compliance with this

contract prior to any payment thereof. In no event shall the County be liable or responsible for any payment prior to such written approval.

5.4 Adjustments to Monthly Invoices and Total Fees Paid

5.4.1 The County will adjust the invoice as follows:

5.4.1.1 The County may reduce the monthly invoice for assessment of adjustments to payments pursuant to Paragraph 5.5 for which the County has notified Contractor pursuant to Paragraph 5.6 of this Section at any time prior to receipt of the monthly invoice.

5.4.1.2 The County shall increase or reduce the monthly invoice pursuant to Section 5.8, Quality Control Plan.

5.4.1.3 The County may reduce the monthly invoice for assessment of adjustments pursuant to Paragraph 5.10 and for payments made pursuant to Paragraph 8.1.3.

5.4.2 Adjustments to Total Fees Paid

The total fees paid pursuant to this Contract will be reduced for overpayments, fines, penalties and other costs incurred by County due to the Contractor's failure to comply with any term or condition of this Contract as further set forth in Paragraph 5.5 Adjustments for Overpayment, Fine, Penalty or Other Cost; and will be increased or reduced as set forth in Paragraph 5.8 Quality Control Plan; and will be reduced for adjustments for Contractor's failure to meet performance requirements as further set forth in Paragraph 5.10. The County's payment is subject to adjustment following audit as set forth in Paragraph 5.9 of this Section, Adjustment Pursuant to Audit and Record Retention Requirement.

5.5 Adjustments for Overpayment, Fine, Penalty or Other Cost

The Contractor shall reimburse the County for any overpayment, fine, penalty or other cost incurred due to the Contractor's failure to comply with any term or condition of this Contract. No reimbursement by the Contractor is required under this section if Contractor's act(s) and/or omission(s) were expressly approved or directed by an authorized County representative.

5.5.1 Such failure includes but is not limited to the following:

5.5.1.1 Late payment or nonpayment of any benefit to any medical provider resulting in penalty or attorney fees.

5.5.1.2 Overpayment of any benefit owed to any lien claimant, or other party in a case due to Contractor's failure to comply with the general standards of care and generally accepted best practices of the workers' compensation claims administration industry, any State or Federal requirement, or any written County policy provided to Contractor prior to the overpayment.

5.5.1.3 Excessive payment of any benefit to any lien claimant, or other party in a case due to Contractor's failure to comply in a timely manner with the general standards of care and generally accepted best practices of the workers' compensation claims administration industry, any State or Federal requirement, or any written County policy provided to Contractor prior to the excessive payment.

5.5.1.4 Fines or penalty assessed against the Contractor or the County due to the Contractor's failure to comply with the general standards of care and generally accepted practices the workers' compensation claims administration industry, any State or Federal requirement, or any written County policy provided to Contractor prior to the failure by Contractor.

5.6 Notice of Assessment of Adjustments to Payments

The County shall give notice to the Contractor of any assessment of adjustment pursuant to Paragraph 5.5, Adjustments for Overpayment, Fine, Penalty or Other Cost. The Contractor shall have the opportunity to respond to the assessment including the following:

5.6.1 Evidence that an overpayment or excessive cost was not made.

5.6.2 Evidence that the Contractor complied with the general standards of care and generally accepted practices of the workers' compensation claims administration industry, State or Federal requirements, or any written County policy provided to Contractor.

5.6.3 Evidence that Contractor obtained prior approval from an authorized County official.

5.7 Mandatory Dispute Arbitration

The Contractor and the County shall submit all disputes relating to Paragraph 5.5, Adjustment for Overpayment, Fine, Penalty or Other Cost, to binding arbitration, in accordance with California Code of Civil Procedure Sections 1280 through 1294.2. Either the Contractor or the County may enforce the award of the arbitrator under Section 1285 of the Code. The Contractor and the County understand that they are waiving their rights to a jury trial.

5.7.1 The Contractor and the County shall select a mutually acceptable arbitrator. If for any reason the Contractor and the County cannot agree on a mutually acceptable arbitrator, either the Contractor or the County may apply to the Superior Court for the designation of five possible arbitrators meeting the qualifications of Paragraph 5.7.2. The Contractor and the County may then each strike two names from the list within the next five days. The court shall then appoint as arbitrator a person whose name has not been struck from the list.

5.7.2 The arbitrators selected by the Superior Court under Paragraph 5.7.1 shall have at least 10 years experience in workers' compensation claims administration. This provision may be waived by agreement of the County and the Contractor. The CAO is authorized to agree to a waiver on behalf of the County.

5.8 Quality Control Plan

5.8.1 The Contractor shall establish and maintain a Quality Control Plan to assure that the requirements of the contract are met. The plan shall include, but not be limited to, the following:

5.8.1.1 The methods for assuring and verifying that contractor staff are qualified and properly trained to perform the services required under the agreement.

5.8.1.2 A system for monitoring compliance with all the services listed in Exhibit A – Statement of Work. It must specify the activities to be inspected/audited on either a scheduled or unscheduled basis, how often inspections/audits will be accomplished, and the title of the individual(s) who will perform the inspection/audits.

5.8.1.3 The methods for identifying, correcting and preventing deficiencies in the quality of service performed before the level of performance becomes unacceptable.

5.8.2 Adjustments Pursuant to Performance Guarantees:

The County may, at its sole discretion, conduct quarterly performance audits. The Contractor's audit score shall result in payment adjustments according to the following performance guarantees:

PERFORMANCE GUARANTEES FOR YEARS 1 - 5 SCORE

- | | |
|--|----|
| - Met all reporting requirements over the course of the audited quarter, including data file transfer. | 5 |
| - 99.5% of the time, no payment for duplicate billings and no charge for review of duplicate billings. | 5 |
| - 35% of savings on gross billings after bill review. | 10 |
| - Contractor will reduce average quarterly medical cost per claim by 10%. | 20 |
| OR | |
| Contractor will reduce average quarterly medical | |

- cost per claim by 5%. 10
- Turnaround time will be less than or equal to 5 business days for 84% of all bills received. 5
- For in-patient hospital services not subject to the California Medical Fee Schedule and PPO discounts, the amounts paid for services must average at least 30% below the amounts charged. 5

TOTAL SCORE

BONUS or REDUCTION

50	Collect additional 5% of revenue generated by this contract for the audited quarter.
40 – 45	Collect additional 2.5% of revenue generated by this contract for the audited quarter.
25 - 35	Revenue neutral.
15 - 20	Pay back service fees of 2.5% of revenue generated by this contract for the audited quarter.
10 or less	Pay back service fees of 5% of revenue generated by this contract for the audited quarter.

5.9 Adjustment Pursuant to Audit and Record Retention Requirement

The Contractor shall maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. The Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Contract. The Contractor agrees that the County, or its authorized representatives, shall have access to facilities and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or records relating to this Contract. All such material, including, but not limited to, all financial records, timecards and other employment records, and proprietary data and information, shall be kept and maintained by the Contractor and shall be made available to the County during the term of this Contract and for a period of five (5) years thereafter unless the County's written permission is given to

dispose of any such material prior to such time. All such material shall be maintained by the Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at the County's option, the Contractor shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

5.9.1 In the event that an audit of the Contractor is conducted specifically regarding this Contract by any Federal or State auditor, or by any auditor or accountant employed by the Contractor or otherwise, then the Contractor shall file a copy of such audit report with the County's Auditor-Controller within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. The County shall make a reasonable effort to maintain the confidentiality of such audit report(s).

5.9.2 Failure on the part of the Contractor to comply with any of the provisions of this Sub-paragraph 5.9 shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract.

5.9.3 If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, representatives of the County may conduct an audit of the Contractor regarding the work performed under this Contract, and if such audit finds that the County's dollar liability for any such work is less than payments made by the County to the Contractor, then the difference shall be either: a) repaid by the Contractor to the County by cash payment upon demand or b) at the sole option of the County's Auditor-Controller, deducted from any amounts due to the Contractor from the County, whether under this Contract or otherwise. If such audit finds that the County's dollar liability for such work is more than the payments made by the County to the Contractor, then the difference shall be paid to the Contractor by the County by cash payment, provided that in no event shall the County's maximum obligation for this Contract exceed the funds appropriated by the County for the purpose of this Contract.

5.10 Adjustment for Failure to Meet Performance Requirements

The Contractor's fees will be reduced by the amounts specified in Technical Exhibit 2 for Contractor's failure to comply with the specific terms of this Contract identified in Technical Exhibit 2.

6.0 ADMINISTRATION OF CONTRACT - COUNTY

COUNTY ADMINISTRATION

A listing of all County Administration referenced in the following Sub-paragraphs are designated in Exhibit M. The County shall notify the Contractor in writing of any change in the names or addresses shown.

6.1 County's Contract Administrator (CCA)

The CCA is the Assistant Division Chief of Occupational Health and Disability Management, or his/her duly authorized designee.

Chief Administrative Office
Constance S. Sullivan, Assistant Division Chief
Risk Management Branch
3333 Wilshire Boulevard, Suite 1000
Los Angeles, CA 90010
(213) 738-2233
Fax: (213) 637-0822
csullivan@cao.co.la.ca.us

Responsibilities of the CCA include:

- 6.1.1 The CCA shall ensure that the objectives of this Contract are met.
- 6.1.2 The CCA is authorized to initiate and enter into change notices which do not change the terms and conditions of this Contract in accordance with 8.3, Change Notices and Amendments.
- 6.1.3 The CCA or designee shall provide direction to Contractor in the areas relating to County policy and procedural requirements, information requirements, and on other matters.
- 6.1.4 The County shall inform the Contractor of the name, address and telephone number of the County Contract Administrator in writing at the time the contract is awarded.
- 6.1.5 The CCA or designee shall be responsible for and have full authority to oversee and monitor the Contractor's performance in the daily operation of the contract.
- 6.1.6 In the event of a dispute regarding substantive questions, the CCA's interpretation shall prevail including without limitation, interpretation of Federal, State and local laws, civil procedures, legal process, court rules and administrative regulations.

6.2 County's Contract Manager

The responsibilities of the County's Contract Manager include:

- meeting with Contractor's Project Manager on a regular basis; and
- inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of Contractor.

The County's Contract Manager is not authorized to make any changes in any of the terms and conditions of this Contract and is not authorized to further obligate County in any respect whatsoever.

6.3 County's Contract Monitor

The County's Contract Monitor is responsible for overseeing the day-to-day administration of this Contract. The County Contract Monitor reports to the County's Contract Manager.

The County's Contract Monitor is not authorized to make any changes in any of the terms and conditions of this Contract and is not authorized to further obligate County in any respect whatsoever.

7.0 ADMINISTRATION OF CONTRACT – CONTRACTOR

7.1 Contractor's Project Manager

The Contractor's Project Manager is the designated officer or employee responsible for all actions needed to administer the Contract.

The Contractor's Project Manager must have three (3) years of experience in supervising or managing California workers' compensation medical and disability management and cost containment services.

Responsibilities of the Contractor Project Manager include:

7.1.1 Contractor's Project Manager is designated in Exhibit N. The Contractor shall notify the County in writing of any change in the name or address of the Contractor's Project Manager.

7.1.2 Contractor's Project Manager shall be responsible for Contractor's and any subcontractor's day-to-day activities as related to this Contract and shall coordinate with County's Contract Manager and Contract Monitor on a regular basis.

7.1.3 The Contractor shall provide upon award of contract, the name, address and telephone number of the Project Manager or designee who shall be responsible for administering the contract.

7.1.4 The Project Manager or designee approved by the County shall be responsible for the daily administration and supervision of program operations and have full authority to act for the Contractor on all contract matters relating to daily operations.

7.2 Approval of Contractor's Staff

CCA has the absolute right to approve or disapprove of Contractor's Project Manager and all Contractor staff dedicated to performing work under this Contract.

7.3 Confidentiality

The Contractor shall maintain the confidentiality of all its records, including but not limited to billing, County records, case records and patients records, under this Contract in accordance with all applicable federal, State or local laws, ordinances, regulations and directives relating to confidentiality.

The Contractor shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Contract. The Contractor shall cause each employee performing services covered by this Contract to sign and adhere to the "Contractor Employee Acknowledgment and Confidentiality Agreement", Exhibit L1.

The Contractor shall cause each non-employee performing services covered by this Contract to sign and adhere to the "Contractor Non-Employee Acknowledgment and Confidentiality Agreement", Exhibit L2.

8.0 TERMS AND CONDITIONS

8.1 ASSIGNMENT AND DELEGATION

8.1.1 The assumption, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, or the assumption, assignment, or takeover of any of the Contractor's rights by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration, for any reason whatsoever, shall occur only with the County's prior written approval.

8.1.2 Any unapproved assumption, assignment, delegation, or takeover of any of the Contractor's duties or rights shall be

null and void. Any attempted assumption, assignment, delegation, or takeover of any of the Contractor's duties or rights may be deemed a material breach of this Contract.

- 8.1.3 Any payment by County to any approved delegate or assignee on any claim under this Contract shall be deductible, at CCA's sole discretion, against the claims which the Contractor may have against the County.

8.2 SUBCONTRACTING

- 8.2.1 The requirements of this Contract may not be subcontracted by the Contractor without the advance written approval of the CCA. Any attempt by the Contractor to subcontract without the prior consent of the County may be deemed a material breach of this Contract.
- 8.2.2 If the Contractor desires to subcontract, the Contractor shall provide the following information promptly at the County's request:
- A description of the work to be performed by the subcontractor;
 - A draft copy of the proposed subcontract; and
 - Other pertinent information and/or certifications requested by the County.
- 8.2.3 The Contractor shall defend, indemnify and hold the County harmless with respect to the activities of each and every subcontractor in the same manner and to the same degree as if such subcontractor(s) were Contractor employees.
- 8.2.4 The Contractor shall remain fully responsible for all performances required of it under this Contract, including those that the Contractor has determined to subcontract, notwithstanding the County's approval of the Contractor's proposed subcontract.
- 8.2.5 The County's consent to subcontract shall not waive the County's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Contract. The Contractor is responsible to notify its subcontractors of this County right.
- 8.2.6 The CCA is authorized to act for and on behalf of the County with respect to approval of any subcontract and subcontractor employees.
- 8.2.7 The Contractor shall be solely liable and responsible for all payments, other compensation, or unemployment and disability benefits to all subcontractors and their officers, employees, agents, and successors in interest arising

through services performed hereunder, notwithstanding the County's consent to subcontract.

- 8.2.8 The Contractor shall obtain certificates of insurance prior to performance of any work, which establish that the subcontractor maintains all the programs of insurance required by the County from each approved subcontractor. The Contractor shall ensure delivery of all such documents to Ann Rain, Chief Administrative Office, Occupational Health and Disability Management, 3333 Wilshire Boulevard, Suite 1000, Los Angeles, CA 90010 before any subcontractor employee may perform any work hereunder.

8.3 CHANGE NOTICES AND AMENDMENTS

- 8.3.1 County reserves the right to initiate Change Notices that do not affect the scope, term, contract sum or payments. All such changes shall be accomplished with an executed Change Notice signed by the Contractor and by the CCA. The CCA is authorized to enter into and execute such change notices.
- 8.3.2 Upon mutual agreement between CCA and Contractor, the Contractor shall assume County workload from other medical and disability management service providers at the same terms as this Contract. The CCA is authorized to enter into and execute such amendment.
- 8.3.3 For any revision to this Contract that affects the scope of work, period of performance, payments, or any term or condition of this Contract, except for those exceptions specifically provided for in this Contract, a negotiated amendment to this Contract shall be executed by the County Board of Supervisors and the Contractor.
- 8.3.4 Facsimile Representations

The County and the Contractor hereby agree to regard facsimile representations of original signatures of authorized offices of each party, when appearing in appropriate places on the Change Notices and Amendments prepared pursuant to Sub-paragraph 8.3 and 4.0 and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Change Notices to this Contract, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

8.4 COMPLIANCE WITH APPLICABLE LAW

8.4.1 The Contractor shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, and directives, and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference.

8.4.2 The Contractor shall defend, indemnify and hold harmless the County from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, arising from or related to any violation on the part of the Contractor or its employees, agents, or subcontractors of any such laws, rules, regulations, ordinances, or directives.

8.5 COMPLIANCE WITH CIVIL RIGHTS LAWS

The Contractor hereby assures that it will comply with Subchapter VII of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract. The Contractor shall comply with Exhibit I - Contractor's EEO Certification.

8.6 CONFLICT OF INTEREST

8.6.1 No County employee whose position with the County enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder shall in any way participate in the County's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the County's approval or ongoing evaluation of such work.

8.6.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full

written disclosure of such facts to the County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances.

8.7 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST

Should the Contractor require additional or replacement personnel after the effective date of this Contract to perform the services set forth herein, the Contractor shall give first consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Contract.

8.8 CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS

Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Contractor.

In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

8.9 CONTRACTOR'S RESPONSIBILITY AND DEBARMENT

8.9.1 Responsible Contractor

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the Contract. It is the County's policy to conduct business only with responsible Contractors.

8.9.2 Chapter 2.202 of the County Code

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other Contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Contract, debar the Contractor from bidding on County Contracts for a

specified period of time not to exceed three (3) years, and terminate any or all existing Contracts the Contractor may have with the County.

8.9.3 Non-responsible Contractor

The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1) violated any term of a Contract with the County, (2) committed any act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a Contract with the County or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

8.9.4 Contractor Hearing Board

If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence that is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. If the Contractor fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, the Contractor may be deemed to have waived all rights of appeal.

A record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

8.9.5 Subcontractors of Contractor

These terms shall also apply to Subcontractors of County Contractors.

8.10 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

The Contractor acknowledges that the County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at the Contractor's place of business. The County's Child Support Services Department will supply the Contractor with the poster to be used.

8.11 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

8.11.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through Purchase Order or Contract are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

8.11.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Contract to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and shall during the term of this Contract maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

8.12 COUNTY'S QUALITY ASSURANCE PLAN

The County or its agent will evaluate the Contractor's performance under this Contract on not less than an annual basis. Such evaluation will include assessing the Contractor's compliance with all Contract terms and conditions and performance standards. Contractor deficiencies which the County determines are severe or continuing and that may place performance of the Contract in

jeopardy if not corrected will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Contract or impose other penalties as specified in this Contract.

8.13 EMPLOYMENT ELIGIBILITY VERIFICATION

The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by law. The Contractor shall indemnify, defend, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

8.14 FAIR LABOR STANDARDS

The Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless the County and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the Contractor's employees for which the County may be found jointly or solely liable.

8.15 GOVERNING LAW, JURISDICTION, AND VENUE

This Contract shall be governed by, and construed in accordance with, the laws of the State of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Contract and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

8.16 INDEPENDENT CONTRACTOR STATUS

- 8.16.1 This Contract is by and between the County and the Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the County and the Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.
- 8.16.2 The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. The County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.
- 8.16.3 The Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Contract.

8.17 INDEMNIFICATION

The Contractor, and any and all subcontractors, shall indemnify, defend and hold harmless the County, its special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with the Contractor's, or any and all subcontractors', acts and/or omissions, respectively, arising from and/or relating to this Contract.

8.18 GENERAL INSURANCE REQUIREMENTS

Without limiting the Contractor's indemnification of the County, its special Districts, elected and appointed officers, employees, and agents and during the term of this Contract, the Contractor shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Contract. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by the County. Such coverage shall be provided and maintained at the Contractor's own expense.

8.18.1 Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to the County shall be delivered to Ann Rain, Chief Administrative Office, Occupational Health and Disability Management, 3333 Wilshire Boulevard, Suite 1000, Los Angeles, CA 90010 prior to commencing services under this Contract. Such certificates or other evidence shall:

- Specifically identify this Contract;
- Clearly evidence all coverages required in this Contract;
- Contain the express condition that the County is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance;
- Include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, its officials, officers and employees as insureds for all activities arising from this Contract; and
- Identify any deductibles or self-insured retentions for the County's approval. The County retains the right to require the Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to the County, or, require the Contractor to provide a bond or Letter of Credit guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

8.18.2 Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the County with an A.M. Best rating of not less than A:VII unless otherwise approved by the County.

8.18.3 Failure to Maintain Coverage: Failure by the Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to the County, shall constitute a material breach of the Contract upon which the County may immediately terminate or suspend this Contract. The County, at its sole option, may obtain damages from the Contractor resulting from said breach. Alternatively, the County may purchase such required

insurance coverage, and without further notice to the Contractor, the County may deduct from sums due to the Contractor any premium costs advanced by the County for such insurance.

8.18.4 Notification of Incidents, Claims or Suits: Contractor shall report to the County:

- Any accident or incident relating to services performed under this Contract which involves injury or property damage which may result in the filing of a claim or lawsuit against the Contractor and/or the County. Such report shall be made in writing within 24 hours of occurrence.
- Any third party claim or lawsuit filed against the Contractor arising from or related to services performed by the Contractor under this Contract.
- Any injury to a Contractor employee that occurs on County property. This report shall be submitted on a County "Non-employee Injury Report" to the County Contract Manager.
- Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies or securities entrusted to the Contractor under the terms of this Contract.

8.18.5 Compensation for County Costs: In the event that the Contractor fails to comply with any of the indemnification or insurance requirements of this Contract, and such failure to comply results in any costs to the County, the Contractor shall pay full compensation for all costs incurred by the County.

8.18.6 Insurance Coverage Requirements for Subcontractors: The Contractor shall ensure any and all subcontractors performing services under this Contract meet the insurance requirements of this Contract by either:

- The Contractor providing evidence of insurance covering the activities of subcontractors, or
- The Contractor providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. The County retains the right to obtain copies of evidence of subcontractor insurance coverage at any time.

8.19 INSURANCE COVERAGE REQUIREMENTS

8.19.1 General Liability insurance written on ISO policy form CG 00 01 or its equivalent with limits of not less than the following:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$2 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

The additional insured endorsement shall be Form B20101185 or its equivalent as solely determined by the County Risk Management Branch.

8.19.2 Automobile Liability written on ISO policy form CA 00 01 or its equivalent with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

8.19.3 Workers' Compensation and Employers' Liability insurance providing workers' compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which the Contractor is responsible. If the Contractor's employees will be engaged in maritime employment, coverage shall provide workers compensation benefits as required by the U.S. Longshore and Harbor Workers' Compensation Act, Jones Act or any other federal law for which the Contractor is responsible.

In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

8.19.4 Professional Liability insurance covering liability arising from any error, omission, negligent or wrongful act of the Contractor, its officers or employees with limits of not less than \$1 million per occurrence and \$2 million aggregate. The coverage also shall provide an extended two year reporting period commencing upon termination or cancellation of this Agreement.

8.19.5 Crime Coverage insurance with limits in an amount not less than indicated below covering against loss of money, securities, or other property referred to in this Agreement, and naming the County as loss payee.

Employee Dishonesty:	\$1,000,000
Forgery or Alteration:	\$1,000,000
Theft, Disappearance and Destruction:	\$1,000,000
Computer Fraud:	\$1,000,000
Burglary and Robbery	\$1,000,000

8.20 Performance Security Requirements: Such surety may be provided by one of the following forms and conditioned upon faithful performance and satisfactory completion of services by Contractor.

8.20.1 Performance Bond: A faithful performance bond in the sum of not less than \$718,750 payable to the County of Los Angeles and executed by a corporate surety licensed to transact business in the State of California, or,

Certificate of Deposit (CD) or Letter of Credit (LOC): A CD or an irrevocable LOC payable to the County upon demand in an amount not less than \$718,750. Such CD or LOC shall comply with minimum criteria and standards established by the County and be maintained throughout the term of the Agreement.

8.21 LICENSES, PERMITS, REGISTRATIONS AND CERTIFICATES

The Contractor shall obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations and certificates required by law, which are applicable to the performance of this Agreement, and shall further ensure that all of its officers, employees and agents who perform services hereunder obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations and certificates required by law which are applicable to their performance of services hereunder.

8.22 MOST FAVORED PUBLIC ENTITY

If the Contractor's prices decline, or should the Contractor at any time during the term of this Contract provide the same goods or services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in this Contract, then such lower prices shall be immediately extended to the County.

8.23 NONDISCRIMINATION IN EMPLOYMENT

8.23.1 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard

to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

- 8.23.2 The Contractor shall certify to, and comply with, the provisions of Exhibit I - Contractor's EEO Certification.
- 8.23.3 The Contractor shall take action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- 8.23.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, marital status, or political affiliation.
- 8.23.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.
- 8.23.6 The Contractor shall allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this Sub-paragraph 8.23 when so requested by the County.
- 8.23.7 If the County finds that any provisions of this Sub-paragraph 8.23 have been violated, such violation shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract. While the County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal

Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Contract.

8.23.8 The parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Contract, the County shall, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

8.24 NONEXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with Contractor. This Contract shall not restrict County from acquiring similar, equal or like goods and/or services from other entities or sources.

8.25 NOTICE OF DELAYS

Except as otherwise provided under this Contract, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within one (1) day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.26 NOTICE OF DISPUTES

The Contractor shall bring to the attention of the County Contract Manager and/or CCA any dispute between the County and the Contractor regarding the performance of services as stated in this Contract. If the County Contract Manager or CCA is not able to resolve the dispute, the CAO, or designee shall resolve it.

8.27 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

The Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

8.28 NOTICES

All notices or demands required or permitted to be given or made under this Contract shall be in writing and shall be hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as identified in Exhibits M, County's Administration and N, Contractor's Administration.

Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party. The CAO shall have the authority to issue all notices or demands required or permitted by the County under this Contract.

8.29 PUBLIC RECORDS ACT

8.29.1 Any documents submitted by Contractor; all information obtained in connection with the County's right to audit and inspect Contractor's documents, books, and accounting records pursuant to Sub-paragraph 5.9 – Adjustment Pursuant to Audit and Record Retention Requirement; of this Contract; as well as those documents which were required to be submitted in response to the Request for Proposals (RFP) used in the solicitation process for this Contract, become the exclusive property of the County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order to court of competent jurisdiction.

8.29.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a bid marked "trade secret", "confidential", or "proprietary", the Contractor agrees to defend and indemnify the County from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

8.30 PUBLICITY

8.30.1 The Contractor shall not disclose any details in connection with this Contract to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the County shall not inhibit the Contractor from publishing its role under this Contract within the following conditions:

- The Contractor shall develop all publicity material in a professional manner; or
- During the term of this Contract, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press

releases, feature articles, or other materials using the name of the County without the prior written consent of the CCA.

8.30.2 The Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Contract with the County of Los Angeles, provided that the requirements of this Sub-paragraph 8.30 shall apply.

8.31 NOTICE WHEN 75% CONTRACT AUTHORIZATION INCURRED OR WITHIN SIX MONTHS FROM EXPIRATION OF TERM

8.31.1 Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred seventy-five percent (75%) of the total contract authorization under this Contract. Upon occurrence of this event, Contractor shall send written notification to the CCA at the address herein provided in Exhibit M.

8.31.2 Contractor shall notify CCA when this Contract is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, Contractor shall send written notification to CCA at the address herein provided in Exhibit M.

8.32 RECYCLED PAPER

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on this Contract.

8.33 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN CHILD SUPPORT COMPLIANCE

Failure of the Contractor to maintain compliance with the requirements set forth in Sub-paragraph 8.11 - Contractor's Warranty of Adherence to County's Child Support Compliance Program, shall constitute a default by the Contractor under this Contract. Without limiting the rights and remedies available to the County under any other provision of this Contract, failure to cure such default within 90 days of notice by the Los Angeles County Child Support Services Department shall be grounds upon which the Auditor-Controller or Board of Supervisors may terminate this Contract pursuant to Sub-paragraph 8.35 - Termination for Default.

8.34 TERMINATION FOR CONVENIENCE

8.34.1 This Contract may be terminated, in whole or in part, from time to time, when such action is deemed solely by the

County to be in its best interest. Termination of work hereunder shall be effected by delivery to the Contractor of a notice of termination specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than 90 (ninety) calendar days after the notice is sent. Said notice of termination shall be given by the CCA.

8.34.2 After receipt of a notice of termination and except as otherwise directed by the County, the Contractor shall:

- Stop work under this Contract on the date and to the extent specified in such notice, and
- Complete performance of such part of the work as shall not have been terminated by such notice.

8.34.3 Submit to the County, in the form and with the certifications as may be prescribed by the County, a termination claim and invoice. Such claim and invoice shall be submitted promptly, but not later than three (3) months from the effective date of termination. Upon failure of the Contractor to submit a termination claim and invoice within the time allowed, the County may determine on the basis of information available to the County, the amount, if any, due to the Contractor in respect to the termination and such determination shall be final. After such determination is made, the County shall pay the Contractor the amount so determined.

8.34.4 Subject to the provisions of the paragraph immediately above, the County and the Contractor shall negotiate an equitable amount to be paid to the Contractor by reason of the total or partial termination of work pursuant to this clause. Said amount may include a reasonable allowance for profit on work done but shall not include an allowance on work terminated. The County shall pay the agreed amount; subject to other limitations and provided that such amount shall not exceed the total funding obligated under this Agreement as reduced by the amount of payments otherwise made and as further reduced by the contract price of work not terminated.

8.34.5 For a period of five (5) years after final settlement under this Contract, the Contractor shall make available to the County, at all reasonable times, all its books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Contract with respect to the termination of work hereunder. All such material shall be

maintained by the Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at the County's option, the Contractor shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

8.35 TERMINATION FOR DEFAULT

8.35.1 The County may, by written notice to the Contractor, terminate the whole or any part of this Contract, if, in the judgment of the CCA:

- Contractor has materially breached this Contract;
- Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Contract; or
- Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either case, fails to demonstrate convincing progress toward a cure within ten (10) working days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure.

8.35.2 In the event that the County terminates this Contract in whole or in part as provided in Sub-paragraph 8.35.1, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar goods and services. The Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this sub-paragraph.

8.35.3 Except with respect to defaults of any subcontractor, the Contractor shall not be liable for any such excess costs of the type identified in Sub-paragraph 8.35.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the County in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every

case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this Sub-paragraph 8.35.3, the terms "subcontractor" and "subcontractors" mean subcontractor(s) at any tier.

8.35.4 If, after the County has given notice of termination under the provisions of this Sub-paragraph 8.35, it is determined by the County that the Contractor was not in default under the provisions of this Sub-paragraph 8.35, or that the default was excusable under the provisions of Sub-paragraph 8.35.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Sub-paragraph 8.34 - Termination for Convenience.

8.35.5 The rights and remedies of the County provided in this Sub-paragraph 8.35 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.36 TERMINATION FOR IMPROPER CONSIDERATION

8.36.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Contract or securing favorable treatment with respect to the award, amendment, or extension of this Contract or the making of any determinations with respect to the Contractor's performance pursuant to this Contract. In the event of such termination, the County shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.

8.36.2 The Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the

employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861.

- 8.36.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

8.37 TERMINATION FOR INSOLVENCY

8.37.1 The County may terminate this Contract forthwith in the event of the occurrence of any of the following:

- Insolvency of the Contractor. The Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;
- The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
- The appointment of a Receiver or Trustee for the Contractor; or
- The execution by the Contractor of a general assignment for the benefit of creditors.

8.37.2 The rights and remedies of the County provided in this Subparagraph 8.37 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.38 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE

The Contractor, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by the Contractor, shall fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Contract, upon which the County may in its sole discretion, immediately terminate or suspend this Contract.

8.39 TERMINATION FOR NON-APPROPRIATION OF FUNDS

Notwithstanding any other provision of this Contract, the County shall not be obligated for the Contractor's performance hereunder or by any provision of this Contract during any of the County's future fiscal years unless and until the County's Board of

Supervisors appropriates funds for this Contract in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The County shall notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.40 BUDGET REDUCTIONS

In the event of significant shortfalls in the County's budget for any fiscal year, the County reserves the right to renegotiate its payment obligation under this Contract during such period of budget shortfall or to terminate this contract. The County shall give the Contractor 30 calendar day written notice of its intention to exercise its right to renegotiate its payment obligation or terminate this Contract pursuant to this paragraph.

8.41 RECORDS AND REPORTS

Upon expiration of this Contract, or in the event of cancellation, on the demand of the CCA, all documents, reports, records, case files, correspondence and work product relating to Contractor's operations under this Contract shall be returned to the CCA or to such other location in the County as the CCA may direct. It is understood that all of the materials described above are the property of the County and not of the Contractor herein.

8.42 VALIDITY

If any provision of this Contract or the application thereof to any person or circumstance is held invalid, the remainder of this Contract and the application of such provision to other persons or circumstances shall not be affected thereby.

8.43 WAIVER

No waiver by the County of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this Sub-paragraph 8.43 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.44 WARRANTY AGAINST CONTINGENT FEES

8.44.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling

agencies maintained by the Contractor for the purpose of securing business.

- 8.44.2 For breach of this warranty, the County shall have the right to terminate this Contract and, at its sole discretion, deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

8.45 COMPLIANCE WITH JURY SERVICE PROGRAM

8.45.1 Jury Service Program

This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

8.45.2 Written Employee Jury Service Policy

8.45.2.1 Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.

8.45.2.2 For purposes of this Section, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full time" means 40 hours or more worked per week, or a

lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

8.45.2.3 If Contractor is not required to comply with the Jury Service Program when the Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that Contractor demonstrate to the County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.

8.45.2.4 Contractor's violation of this Section of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

8.46 NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT

Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Contract. Should Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Contract shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Contract.

8.47 AUTHORIZATION WARRANTY

The Contractor represents and warrants that the person executing this Contract for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition, and obligation of this Contract and that all requirements of the Contractor have been fulfilled to provide such actual authority.

8.48 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit R of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

8.49 CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The County Department of Children and Family Services will supply the Contractor with the poster to be used.

8.50 INTERPRETATION

This Contract shall be governed by and construed in accordance with the law of the State of California. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Contract.

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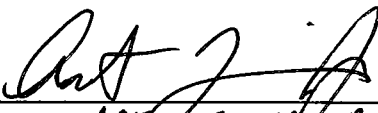
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IN WITNESS WHEREOF, Contractor has executed this Contract, or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has caused this Contract to be executed on its behalf by the Chair of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

CONTRACTOR

By 
Name ART ZEINER, JR
Title PRESIDENT

COUNTY OF LOS ANGELES

By _____
Chair, Board of Supervisors


ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

By _____

APPROVED AS TO FORM:

Lloyd W. Pellman
County Counsel

By 
Principal Deputy County Counsel

9/2/03
g/med and dis/Appendix A Contract4 – ComplIQ Corp

EXHIBIT A

STATEMENT OF WORK

WORKERS' COMPENSATION

MEDICAL AND DISABILITY MANAGEMENT

AND COST CONTAINMENT SERVICES

EXHIBIT A - STATEMENT OF WORK

WORKERS' COMPENSATION MEDICAL AND DISABILITY MANAGEMENT AND COST CONTAINMENT SERVICES

SECTION I – DEFINITIONS

1.0 DEFINITIONS

The following definitions apply to this Statement of Work describing the major responsibilities and duties of the County and the Contractor.

1.1 ADDENDUM

A document added to or supplanting portions of this Request For Proposal or a document added to or supplanting portions of the proposal submitted by the Contractor.

1.2 BOARD OF SUPERVISORS

The governing and legislative body of the County. It is composed of five elected officials.

1.3 CHIEF ADMINISTRATIVE OFFICER (CAO)

The Chief Administrative Officer of the County of Los Angeles.

1.4 CONTRACT

The written agreement covering the performance of the work and the furnishing of labor, materials and equipment in the performance of the work.

1.5 CONTRACT START DATE

The date that the Contractor begins work (the start of the basic terms of the contract).

1.6 COUNTY

The County is the governmental entity, the County of Los Angeles, its employees, officers, and officials.

1.7 COUNTY'S CONTRACT ADMINISTRATOR

The County's Contract Administrator (CCA) is the Assistant Division Chief, Risk Management Branch, or his/her duly authorized designee.

1.8 COUNTY COUNSEL

The governmental office of Los Angeles County providing legal counsel and related services to County officers and departments.

1.9 CONTRACTOR'S PROJECT MANAGER

The Contractor's Project Manager is the designated officer or employee responsible for all actions needed to administer the contract.

1.10 GENCOMP

The County's current workers' compensation computer system. This system includes on-line input of claims and litigation data including all payment and salary continuation authorizations. The County Auditor-Controller issues all warrants from computerized files generated by GENCOMP.

1.11 HOURS/DAYS OF WORK

The Contractor shall be required to provide all services Monday through Friday from 8:30 a.m. until 5:30 p.m. The Contractor is not required to provide services on County-recognized holidays. The County's Contract Monitor will provide a list of the County holidays to the Contractor at the time the Contract is approved; and annually, at the beginning of the calendar year.

1.12 INDEMNITY OR DISABILITY CASE

A claim involving one or more of the following: temporary disability due, ratable permanent disability anticipated, death of the claimant, application for adjudication of claim filed, medical costs over \$3,500, benefits due more than six months after opening of case, and designation by the Claims Examiner.

1.13 MEDICAL-ONLY CASE

A non-litigated claim involving only medical payments which are not expected to exceed three thousand five hundred dollars (\$3,500). Indemnity payments are not anticipated.

1.14 QUALITY CONTROL PLAN

This term shall mean all measures taken by the Contractor to assure that the quality of an end product or service will meet the contract requirements regarding timeliness, accuracy, appearance, completeness and consistency.

EXHIBIT A - STATEMENT OF WORK

WORKERS' COMPENSATION MEDICAL AND DISABILITY MANAGEMENT AND COST CONTAINMENT SERVICES

SECTION II – SCOPE OF WORK

1.0 SCOPE OF WORK

The Contractor shall take all necessary steps to reduce medical and disability costs, increase productivity and enhance the quality and the level of the County's medical and disability management program.

The Contractor shall provide workers' compensation medical and disability management services for all existing claims as well as all new claims reported during the contract period for designated County TPA's including, but not limited to:

1.1 Program Development

- 1.1.1 Contractor must have access to legal, technical and other staff who routinely reviews the medical and disability management process to ensure compliance with State and Federal laws and regulations.
- 1.1.2 Periodically review procedures and practices with County personnel to ensure that the County's medical and disability management program is in compliance with State and Federal requirements as well as with sound workers' compensation claims administration practices.
- 1.1.3 Provide assistance in changing County policy and procedures to implement legislative changes or State rules and regulations which impact the County's medical and disability management program.

1.2 24-hour Telephonic Reporting of Injuries (all claims)

Provide a 24 hour, 7 days per week toll free telephone number for reporting of injuries by County departments. This service must include the preparation of the County's department-specific DWC 5020 and the electronic transmitting of these data, within 24 hours of receipt, to the appropriate third party administrator and copies of the form to any designated County personnel. The County will provide to the Contractor, on a regular basis, employee data that the Contractor must utilize to populate the data screens for completion of 5020s at no cost to the County.

Performance standard: 100% of 5020s will be transmitted within 24 hours of receipt. Performance Measure: On a monthly basis Contractor will provide a log of all reports (5020s) taken, including date and time taken, and date and time transmitted to the TPA's and designated department personnel.

1.3 Medical Case Management

Provide medical case managers to maintain contact with employee, doctor, adjuster and employer to control medical utilization, obtain enhanced injured employee compliance with optimal treatment protocols and expedite return to work. The type of medical case management whether telephonic or on-site will be determined by the Contractor, with adjuster concurrence, at the time of referral. Provide utilization review (pre-cert) for all employees in medical case management. Case managers are required to be Registered Nurses with one year's experience in workers' compensation case management. A reasonable percentage of Contractor's case managers must be bilingual.

Actively coordinate health care services by providing case direction and promoting early resolution to individuals. The goal is to return the employee to work in the employee's own job, a modified job, or the highest level of functioning as soon as possible. A nurse or physician must coordinate and monitor the care plan, work with the attending physician, Department Return to Work Coordinator, Vocational Rehabilitation Coordinator, claims examiner, the patient and/or the patient's family and other health care team members to ensure that medical expenditures are necessary and appropriate and that quality care is provided to the patient. Also, coordinate with the County's Short and Long Term Disability TPA to make use of the best resources from both programs in the case management process. Telephonic case management must comply with California workers' compensation utilization review regulations.

All cases will be referred to case management by the TPA adjusters after approval by a County QAE Monitor.

Performance Standard: For all cases assigned provide initial report describing activities, contact and plan of action including estimated savings within seven (7) working days of assignment. Performance Measure: Listing of all cases assigned that month and copy of initial report.

All case managers (and utilization review personnel) must have the ability, via contractor-provided hardware, to electronically interface in real time and to enter case notes into the County's workers' compensation computer system.

The medical case manager shall submit an initial case assessment to the TPA within 48 hours of the initial referral, and to also submit written status report to the TPA on each open claim at 30-day intervals.

Cases for which the Contractor has accrued 20 hours of billable time will be referred to the County for review. Contractor shall not accrue additional time without authorization from the County.

Performance Standard: For all cases open greater than 20 hours provide a breakdown of actual savings and estimated savings and estimated cost of services to closure. Performance Measure: Report of all cases over 20 billable hours.

The medical case manager should be alert to opportunities for improved safety at the job sites, as well as identifying potential third party liability for an occupational injury. The contractor shall provide a quarterly report to the County identifying the specific safety issues identified and indicating those cases having third party involvement.

Case managers may also be assigned to County auto or general liability cases by the risk management liability TPA at the same rate of pay contracted herein.

The on-site medical case manager will meet with the patient and, as necessary with providers, claims administrators and employer to determine the best medical direction for achieving optimal case resolution. On-site case management must comply with California workers' compensation utilization review regulations. The on-site case manager shall submit written case management status activity reports at 30-day intervals or more frequently if the case warrants. Reports must include description of all nurse case manager activities during the reporting period.

All on-site medical case managers shall have, at a minimum, a BSN and three years experience in medical case management of workers' compensation cases. A significant percentage of Contractor's case managers should be bilingual.

1.4 Medical Bill Review (all claims)

Review medical bills for compliance with the California Official Medical Fee Schedule, reasonableness and PPO discounts. Identify and correct fee schedule excesses, duplicate charges, billing infractions, and ability to unbundled service codes as needed to achieve savings. Bill review must be integrated with the County's bill payment system (see 1.16.1.1 below). Contractor will process all billings within five (5) business days of receipt

and the County will not be charged for identification of duplicate billings. Contractor must be able to provide on-site bill review personnel at the TPA's if deemed advantageous by County and TPA's at Contractor's own expense. Such Contractor personnel must be online with Contractor's bill review system.

Contractor shall prepare and send, at Contractor's expense, an explanation of review for each bill reviewed to the medical provider and to the County TPA. The explanation of review shall include the notices and reasoning required to be provided by the employer or TPA to the medical provider if the bill is contested.

Contractor shall identify providers with an above average number of billing errors and address them with the provider(s) to prevent future errors. Contractor will provide a quarterly report identifying these providers.

Contractor is to load all County payment history data available from prior contractor regardless of amount of data or payment date at no cost to County.

1.5 Medical/Legal Bill Review

Review all Medical/Legal bills in accordance with DWC guidelines, for compliance with the California Medical/Legal Fee Schedule. Read medical-legal reports to evaluate the correct reimbursement levels. Identify and correct fee schedule excesses, duplicate charges, and billing infractions.

Contractor shall prepare and send, at Contractor's expense, an explanation of review for each bill reviewed to the medical provider and to the County TPA. The explanation of review shall include the notices and reasoning required to be provided by the employer or TPA to the medical provider if the bill is contested.

Contractor shall identify providers with an above average number of billing errors and address them with the provider(s) to prevent future errors.

1.6 Pharmacy Bill Review

Review all pharmacy bills for reasonableness pursuant to the California Official Medical Fee Schedule. Identify and correct fee schedule excesses, duplicate charges, and billing infractions. The Contractor must have a prescription management approach, with emphasis on management of long-term lost time cases.

Contractor shall prepare and send, at Contractor's expense, an explanation of review for each bill reviewed to the medical provider and to the County TPA. The explanation of review shall include the notices and reasoning required to be provided by the employer or TPA to the medical provider if the bill is contested.

Contractor shall identify pharmacies with an above average number of billing errors and address them with the pharmacies to prevent future errors. Contractor will provide above information to County in a quarterly report.

1.7 Vocational Rehabilitation Fee Review

Review all vocational rehabilitation bills for reasonableness pursuant to the California Official Vocational Rehabilitation Fee schedule. Identify and correct fee schedule excesses, duplicate charges, and billing infractions. Track multiple billings for the same claim to assure the overall cap is not exceeded. The County will not be charged for identification of duplicate billings.

Bill Review Performance Standard: Contractor to process all billings within 10 business days. Performance measure: Monthly billing time lag report tracking length of time bills are processed.

1.8 Hospital PPO

Provide a preferred provider network of hospitals that agree to provide quality medical services at substantial savings from the California Official Medical Fee Schedule and to abide by the PPO's utilization review guidelines. Where PPO is circumvented, enter into negotiation to secure the best possible price for the County (see Subsection 1.12).

1.9 Physician PPO

Provide a contracted preferred provider network of physicians and industrial clinics who agree to work with the County's return-to-work programs, to refer only to other network providers, to communicate timely and to abide by the PPO's utilization review guidelines. Network physicians must agree to accept the California Official Medical Fee Schedule amounts or a lesser PPO-negotiated fee as payment in full. Contractor must be willing to make additions to network providers at the request of Los Angeles County, providing the credentialing processes can be met. The Contractor is to provide monthly, quarterly and annual savings reports that clearly demonstrate PPO penetration and utilization rates by specialty.

The Contractor shall provide a description of the Physician PPO certification process. Additional information shall be provided that specifies the frequency that a physician is reviewed and the percentage of panel physicians that are cited each year for non-compliance.

PPO Performance standards: Contractor will obtain a minimum savings after bill review of 35% on PPO billings. Performance measure: Monthly report of PPO Savings after bill review.

1.10 Utilization Review (UR) Hospital In-Patient Services - Prospective (pre-certification)

As part of the telephonic medical case management or on-site medical case management or as requested by the workers' compensation third party administrator (see Section 1.3) review all hospital admissions for the medical necessity of inpatient care. If possible, the review is performed prior to admission. Persons conducting UR must have an RN and one year experience in UR. Must comply with California workers' compensation utilization review regulations.

Performance Standard: At least 10% increase in PPO utilization through referral compared with prior year. Performance Measure: Monthly PPO penetration report.

1.11 UR Hospital In-Patient Services - Concurrent

As part of the telephonic medical case management or on-site medical case management or as requested by the workers' compensation third party administrator (see Section 1.3) review all hospital admissions for the medical necessity of inpatient care. Monitor all hospital in-patient services during the entire hospital stay. Professional reviewers should facilitate the patient's discharge as soon as medically advisable and ensure after-care needs are met. Persons conducting UR must have an RN and one year experience in UR. Must comply with California workers' compensation utilization review regulations.

1.12 UR Hospital In-Patient Services – Retrospective/Hospital Bill Audit

Retrospectively review out-of-network, hospital bills and negotiate reductions on all hospital charges. Audit hospital bill against the medical record for accuracy, appropriateness of care and PPO discounts. Persons conducting UR must have an RN and one year experience in UR. Must comply with California workers' compensation utilization review regulations.

1.13 UR Out-Patient Medical Services (pre-certification)

As part of the telephonic medical case management or on-site medical case management (see Subsection 1.3) or as requested by the workers' compensation third party administrator, monitor provider utilization by comparing the frequency and duration of care with diagnosis-specified treatment guidelines. Complete prospective review of surgical procedures, chiropractic procedures and physical therapy procedures (in excess of 12 visits or 4 weeks duration), for medical necessity. Persons conducting UR must have an RN and one year experience in UR. Must comply with California workers' compensation utilization review regulations.

UR Performance Standard: Savings of at least 40% will be achieved on all medical treatment not subject to fee schedule or PPO discount. Performance Measure: Quarterly report of all bills not subject to fee schedule or PPO discount and amount of savings.

1.14 Medical Panels

Provide a subset panel of PPO physicians experienced in workers' compensation and medical facilities to be utilized for the initial treatment of employees and a subset panel of PPO physicians to be used for treatment requiring long-term treatment or specialty care evaluation. Maintain up-to-date medical panels. Provide copies of initial treating panel to County departments. Provide copies of specialty panel to TPA's. Do not include any providers in your network that do not provide workers' compensation services.

Performance Standard: Medical Panel of workers' compensation physicians and facilities will be provided to the departments at reasonable intervals, not to exceed 6 months.

1.15 Coordinated Claim Handling

Coordinate short- and long-term disability claim handling and clinical procedures to avoid duplicate expense to the County and duplicate documentation efforts to the employee.

1.16 Medical Bill Payments

Contractor shall input medical bills for payment by the County's workers' compensation computer system.

1.16.1 Bill Processing

Contractor's responsibilities include but are not limited to the following:

- 1.16.1.1 The Contractor shall provide an electronically transmitted computer file of reviewed bills for input into the County's workers' compensation computer system subject to approval by the CCA (see Technical Exhibit 3 for data format).
- 1.16.1.2 Prepare and send, at Contractor's expense, explanation of review for each bill to medical provider and County TPA. The Contractor will identify duplicate charges at no cost to the County and partial bills will be reviewed in accordance with Appendix B, Section II, Scope of Work, Provision 1.5. The Contractor will ensure that all bills will be reviewed in five (5) business days of receipt.
- 1.16.1.3 Contractor shall prepare and send, at Contractor's expense, an explanation of review for each bill reviewed to the medical provider and to the County TPA. The explanation of review shall include the notices and reasoning required to be provided by the employer or TPA to the medical provider if the bill is contested.

1.16.2 Provider Inquiries

- 1.16.2.1 Respond to medical provider inquiries concerning bill reviews.
- 1.16.2.2 Respond to medical provider appeals on UR determinations.

1.16.3 Attorney/TPA Inquiries/Appearances

- 1.16.3.1 At Contractor's expense provide expert witness for WCAB conferences and hearings involving bill reviews/UR determinations, provide a copy of any explanation of review to the County's attorney prior to the conference or hearing. All expert witnesses shall be knowledgeable about fee review.

- 1.16.3.2 Respond to County's attorney and/or TPA inquiries within one day concerning any specific bill review. At contractor's expense, provide a copy of any explanation of review to County's attorney upon request.

1.17 Pharmacy PPO

Contractor will provide an extensive pharmacy PPO network that will dispense prescribed medications to County injured workers. The network will be capable of screening out medications that are not prescribed to cure or relieve the effects of the accepted injury as described in Labor Code Sections 4600.1 and 4600.2. PPO must provide discount below pharmacy fee schedule. PPO network pharmacies shall dispense authorized medication directly to injured employees in the most convenient and expedient method possible, minimizing any delays. This might entail the usage of pharmacy cards, online orders, etc.

Pharmacy bills from PPO network must be placed into bill review system as non-reviewable for inclusion into medical payments computer file transmitted to County's workers' compensation computer.

As directed, Contractor will provide pharmaceuticals by mail.

2.0 SUMMARY OF OTHER RESPONSIBILITIES

2.1 Report Requirements

Prior to contract implementation, the Contractor and the CCA shall prepare a list of required reports and records, with time deadlines. The County reserves the right to final review and approval of the format on all reports, to request additional reports and/or request changes to existing reports, during the term of this Agreement. The reports required to be provided by the Contractor shall include, but are not limited to:

2.1.1 Monthly

Invoice which clearly indicates that the PPO savings are the savings amounts realized after the California Medical Fee Schedule has been applied to the amounts charged for medical services.

Bill review status report

Turnaround time/lag report

Case Management reports that include billable hours per case
(refer to Subsection 1.3)

Savings reports with PPO penetration

Report of medical provider additional recommendations
Provider utilization report
Monthly report of claims reported to toll free number with received
and transmit dates and times.

2.1.2 Quarterly

Summary of savings report

- Stratified by service (pharmaceuticals, hospitalizations, inpatient, outpatient, physical therapy, chiropractic), diagnosis (major injury, etc.) and any other logical categorization
- Method of savings calculations clearly defined
- Usual and Customary-Negotiated Hospital Savings Report

Performance Standards Compliance Report

Submit Medical Case Management activity reports documenting case activities, costs, and savings.

Computerized file "dump" of complete fee/bill review data set containing individual dates of service, ICD codes, DRG codes, RVS codes, type of bills, type of service, etc.

Lost time report

Submit report of the number and percentage of cases utilizing the PPO.

Submit report of pharmacies and medical providers the have an excessive amount of errors.

Submit report of identified safety issues and third party responsibility.

Savings Report of all bills not subject to fee review or PPO discount

2.1.3 Annual Report

A comprehensive annual statistical summary and narrative report evaluating the County's medical and disability management program documenting savings and making recommendations for improvement.

2.1.4 Other

Provide ad hoc reports within two (2) weeks upon request at no cost to County.

2.2 Confidentiality

The Contractor shall maintain confidentiality of all information which may be acquired arising out of or connected with activities under any resultant contract.

3.0 QUALITY ASSURANCE

CONTRACTOR'S QUALITY CONTROL PLAN

- 3.1 The Contractor shall establish and maintain a Quality Control Plan to assure that the requirements of the contract are met. The plan shall include, but not be limited to, the following:
- 3.1.1 The methods for assuring and verifying that contractor staff are qualified and properly trained to perform the services required under the agreement.
 - 3.1.2 A system for monitoring compliance with all the services listed in Exhibit A – Statement of Work. It must specify the activities to be inspected/audited on either a scheduled or unscheduled basis, how often inspections/audits will be accomplished, and the title of the individual(s) who will perform the inspection/audits.
 - 3.1.3 The methods for identifying, correcting and preventing deficiencies in the quality of service performed before the level of performance becomes unacceptable.

COUNTY'S QUALITY ASSURANCE MONITORING PLAN

The monitoring of the Contractor's compliance to the requirements outlined in the Contract shall be performed by County staff.

3.2 Meetings

The Contractor's Project Manager shall meet with the CCA or his/her designee at regularly scheduled intervals or at other times, as determined by the CCA, during the term of the contract. The purpose of such meetings shall be dissemination of information from the County to the Contractor, and the discussion of the Contractor's performance.

3.3 Contract Discrepancy Report (Technical Exhibit 1)

Verbal notification of a Contract discrepancy will be made to the Contract Project Monitor as soon as possible whenever a Contract discrepancy is identified. The problem shall be resolved within a time period mutually agreed upon by the County and the Contractor. The County Contract Monitor will determine whether a formal Contract Discrepancy Report shall be issued. Upon receipt of this document, the Contractor is required to respond in writing to the County Contract Monitor within five (5) business days, acknowledging the reported discrepancies or presenting contrary evidence. A plan for correction of all deficiencies identified in the Contract

Discrepancy Report shall be submitted to the County Contract Monitor within ten (10) business days.

3.4 County Observations

In addition to departmental contracting staff, other County personnel may observe performance, activities, and review documents relevant to this Contract at any time during normal business hours. However, these personnel may not unreasonably interfere with the Contractor's performance.

4.0 RESPONSIBILITIES:

The County's and the Contractor's responsibilities are as follows:

COUNTY

4.1 Orientation to County's Workers' Compensation Claims Administration Program

County will provide orientation to the County's Workers' Compensation Claims Administration Program for key Contractor personnel prior to the start date of the contract. Contractor shall not be reimbursed for any expenses during orientation.

CONTRACTOR

4.2 Contractor Furnished Items

The Contractor shall furnish all personnel, transportation, supplies, equipment, materials and other items necessary to perform all services required by this Statement of Work. These include, but may not be limited to the following items and actions:

4.2.1 The Contractor shall maintain a service center in the County of Los Angeles or within 75 miles of the Los Angeles County Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, CA 90012. The Contractor shall be required to provide all services Monday through Friday from 8:30 a.m. until 5:30 p.m. The Contractor is not required to provide services on County-recognized holidays. The County's Contractor Monitor will provide a list of the County holidays to the Contractor at the time the Contract is approved, and annually, at the beginning of the calendar year.

4.2.2 The Contractor shall provide a daily courier service between the Contractor's office and such County and TPA offices as are designated in writing by the CCA. A schedule shall be established

for the pick-up and delivery of all medical bills, medical reports and related items. The Contractor shall pay the costs of such services out of its own resources.

- 4.2.3 Contractor within thirty (30) days of contract implementation will provide a "Medical And Disability Management Manual" describing policies and procedures for the County's medical and disability management program including responsibilities, reporting requirements, review of medical bills, sample letters, sample reports, etc. The manual will include Contractor's policies and procedures for investigating and responding to complaints.

The Contractor shall preliminarily investigate all complaints and notify the County's Contract Manager of the status of the investigation within five (5) business days of receiving the complaint.

When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.

Copies of all written responses shall be received by the County's Contract Manager within three (3) business days of mailing to the complainant.

- The County will review the Contractor's policy and procedure manual and provide the Contractor with approval of said plan or with requested changes.
- If the County requests changes in the Contractor's policy, the Contractor shall make such changes and resubmit the plan within five (5) business days.
- If, at any time, the Contractor wishes to change the Contractor's policy and procedure, the Contractor shall submit proposed changes to the County for approval before implementation.

- 4.2.4 Contractor shall provide computers and telecommunications equipment, including telephone, T1 or other data transmission lines for communication with the County's workers' compensation claims administration computer system. Contractor shall provide reasonable office accommodations, equipment and computer access for use by the County QAE Monitor onsite.

- 4.2.5 Contractor shall provide e-mail capability to staff providing services to the County pursuant to this Contract. This includes TPA's, County's attorneys, and County staff. Contractor will be able to send Explanation of Benefits by e-mail.

4.3 Training

Contractor shall conduct initial and periodic training for County and designated TPA staff to ensure all parties are fully aware of their responsibilities for administering the County's comprehensive medical and disability management program.

8/12/03

GMedical and Disability Management/Exhibit A - Contract

STATEMENT OF WORK

TECHNICAL EXHIBITS

**TECHNICAL EXHIBITS
TABLE OF CONTENTS**

<u>Technical Exhibits</u>	<u>Page</u>
1 CONTRACT DISCREPANCY REPORT	1
2 PERFORMANCE REQUIREMENTS SUMMARY CHART	2
3 DATA FORMAT	3

TECHNICAL EXHIBIT 1
CONTRACT DISCREPANCY REPORT

TO:

FROM:

DATES: **Prepared:** _____
 Returned by Contractor: _____
 Action Completed: _____

DISCREPANCY PROBLEMS: _____

Signature of CCA

Date

CONTRACTOR RESPONSE (Cause and Corrective Action): _____

Signature of CCA

Date

COUNTY EVALUATION OF CONTRACTOR RESPONSE: _____

Signature of CCA

Date

COUNTY ACTIONS: _____

CONTRACTOR NOTIFIED OF ACTION:

CCA'S Signature and Date _____

Contractor Representative's Signature and Date _____

TECHNICAL EXHIBIT 2
PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEEES TO BE ASSESSED
Contract: Sub-paragraph 7.1.1 – Contractor Project Manager	Contractor Project Manager designated in writing	Submission	\$50 for late designation
Contract: Sub-paragraph 7.3 – Confidentiality	Contractor Confidentiality Statements signed	Submission	\$50 for each late submission. Employees must sign within 10 days of contract inception or employment
Contract: Sub-paragraph 8.1 – Assignment and Delegation	No unauthorized assumption, delegation or takeover of any of Contractor's duties, responsibilities, obligations or rights by any entity other than Contractor .	Submission and Inspection	Termination of Contract for Breach of Contract
Contract: Sub-paragraph 8.2 – Subcontracting	No unauthorized attempt to Subcontract services Contracted by Contractor.	Submission and Inspection	Termination of Contract for Breach of Contract
Contract: Sub-paragraph 8.4 – Compliance with Applicable Law	Contractor to comply with all applicable Federal, State, and local laws, rules regulations, ordinances and directives.	Submission, inspection and notification by outside parties.	Indemnify, defend and hold harmless County from and against any and all liability, damages, costs and expenses including all defense costs.
Contract: Sub-paragraph 8.9 – Contractor's Responsibility and Debarment	Contractor is to demonstrate the attributes of trustworthiness, quality, fitness, capacity and experience to satisfactorily perform the Contract	Acquisition of information from outside sources.	Debar Contractor from bidding on County Contracts on a specified period of time not to exceed 3 years and termination of any or all existing Contracts with the County.
Contract: Sub-paragraph 8.18.1 – Evidence of Insurance	Certificate(s) or other evidence of coverage satisfactory to the County.	Submission & Inspection	Delay in provision of work under the contract if insurance certificate provided late
Contract: Sub-paragraph - 8.18.3 Failure to Maintain Coverage	Contractor to maintain evidence of insurance coverage	Submission & Inspection	Termination of Contract for Breach of Contract
Contract: Sub-paragraph – 8.18.4 Notification of Incidents, Claims or Suits	Contractor to notify County in writing within 24 hours of any accident or incident relating to services performed under this Contractor which may involve filing a lawsuit or claim against the Contractor and/or County	Submission	\$50 if submitted more than 7 business days after Contractor's knowledge of claim or lawsuit
Contract: Sub-paragraph 8.20.1 – Performance Bond/Certificate of Deposit (CD) or Letter of Credit (LOC)	Contractor to provide Performance Bond, CD, or LOC.	Submission	\$50 if submitted more than 30 days after contract start date

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING	DEDUCTIONS/FEEES TO BE ASSESSED
Contract: Sub-paragraph 8.30 – Publicity	Contractor shall not publish or disseminate any commercial advertisements, press releases, feature articles, or other materials without the prior written consent of the CCA.	Inspection & Observation	\$50 per occurrence
Contract: Sub-paragraph 8.31.1 – Notice When 75% Contract Authorization Incurred	Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred 75% of total contract authorization under the Contract.	Submission	\$50 for late notification.
Contract: Sub-paragraph 8.31.2 – Contractor to Notify County within six (6) months of expiration of contract	Contractor shall notify CAO when this Contract is within 6 months from the expiration of the term.	Submission	\$50 for late notification
Contract: Sub-paragraph 8.36 Termination for Improper Consideration	Contractor will immediately report any attempt by a County officer or employee to solicit improper consideration.	Report to CCA or call to County Auditor - Controller's Employee Fraud Hotline	Termination of Contract for providing improper consideration and \$100 for failure to report attempt to obtain improper consideration

1/16/03

G/Med and Dis/Performance Requirements Summary Final

BILL REVIEW INTERFACE**TRANSACTION RECORD LAYOUT**

POS	LEN	JUST	FIELD NAME	FORMAT
1	3	L	Record Code (literal)	'660'
4	30	L	Claimant Name (last name, first MI)	30X
34	11	L	Claim Number (exclude dashes)	11N
45	4	R	Number of Lines per Bill (optional)	4N ⁽⁴⁾
49	6	L	Service Start Date (from date)	6N (MMDDYY) ⁽⁶⁾
55	6	L	Service End Date (thru date)	6N (MMDDYY) ⁽⁶⁾
61	8	R	Total Charges (billed amount)	unpacked, implied decimal ⁽⁴⁾
69	8	R	Total Allowance (payment amount)	unpacked, implied decimal, signed ^{(3),(4),(5)}
77	9	L	Provider IRS#	9N
86	30	L	Provider Name (line 1)	30X
116	30	L	Provider Name (line 2)	30X
146	7	L	GenCOMP™ Trans# (skeleton trans option)	7X
153	5	L	Override Indicators	5X ⁽⁵⁾
158	3	L	Bill Review Vendor Code	3A ⁽¹⁾
161	20	L	Bill Review Vendor Transaction#	20X
181	10	L	Message Code (optional)	10X
191	10	L	Provider Street (optional)	10X
201	10	L	Provider Zip Code (optional)	5N or 5N-4N
211	20	L	Invoice #	20X
231	5		Filler	Blanks
236	4	L	Batch Number (tape I.D.)	4N
240	6	L	Process Date (date tape created)	6N (MMDDYY)
246	1	L	Payment Adjustment Code (debit/credit option)	1A
247	1	L	Fee Adjustment Code (debit/credit option)	1A
248	1		Filler	Blanks
249	5	L	Provider # (GenComp biller #)	5X
254	2	L	Payment Category (paycat option)	2X
256	4		Filler	Blanks
260	8	R	Fee Amount (fee option)	unpacked, implied dec., signed ⁽³⁾
268	35	L	Stub Note #1 (optional information)	35X
303	35	L	Stub Note #2 (optional information)	35X
338	35	L	Stub Note #3 (optional information)	35X
373	35	L	Stub Note #4 (optional information)	35X
408	35	L	Stub Note #5 (optional information)	35X
443	8		Filler	Blanks

BILL REVIEW INTERFACE

TRANSACTION RECORD LAYOUT (continued)

File on FTP server specs: ascii. blank fill

Definitions:

A	=	Alpha	MM	=	Month
N	=	Numeric	DD	=	Day
X	=	Alpha - Numeric	YY	=	Year

Codes/Notes:

- (1)
- | | | |
|-----|---|------------------------|
| BSB | = | Beech Street |
| RCB | = | ReviewCo |
| CCB | = | Comp cure/Ouch |
| MDB | = | Metadata |
| CMC | = | CMCI |
| PRJ | = | Prime |
| WCS | = | Wcomp Casualty Service |
| CRI | = | CompReview, Inc. |
- (2)
- | | | |
|---|---|--------------------------------|
| T | = | overlap, not duplicate payment |
| Y | = | payment limit exceeded |
| A | = | denied/no-pay case |
| Q | = | questionable case |
- (3) Field can be negative if there is a credit adjustment code for the payment/fee. Refer to rules for signing fields.
- (4) The totals for the 660 record will be balanced to the count and totals of the 665 line records for this transaction, and the load will be rejected if there is a mismatch.
- (5) The amount should be '0' for review-only transactions, and blank for fee-only transactions.
- (6) If line records are included, the start date should be the oldest from date for all of the line dates, and the end date should be the most recent through date.

RULES FOR SIGNING FIELDS

The following chart can be used to create signed fields. Replace the last digit of the dollar value with the appropriate ASCII character from the table based on whether the entire value should be positive or negative. The one character will represent both the number and the sign. The signed fields should be zero filled.

Examples for six digit fields: -105 = 00010N; 228 = 00022H; 12 = 00001B; -33 = 00003L

RIGHT-MOST DIGIT	POSITIVE VALUE	NEGATIVE VALUE
0	char(123) - {	char(125) - }
1	char(65) - A	char(74) - J
2	char(66) - B	char(75) - K
3	char(67) - C	char(76) - L
4	char(68) - D	char(77) - M
5	char(69) - E	char(78) - N
6	char(70) - F	char(79) - O
7	char(71) - G	char(80) - P
8	char(72) - H	char(81) - Q
9	char(73) - I	char(82) - R

BILL REVIEW INTERFACE

Page 3 of 8

TRANSACTION LINE RECORD LAYOUT

POS	LEN	JUST	FIELD NAME	FORMAT
1	3	L	Record Code (literal)	'665'
4	3	L	Bill Review Vendor Code	3A ⁽¹⁾
7	20	L	Bill Review Vendor Transaction#	20X ⁽²⁾
27	3	R	Line Number on Bill	3N ⁽²⁾
30	1	L	Fee Schedule Category	1A ⁽²⁾
31	6	L	Service Start Date (from date)	6N (MMDDYY)
37	6	L	Service End Date (thru date)	6N (MMDDYY)
43	3	L	Revenue Code (optional)	3N ⁽⁴⁾
46	3	L	Place of Service Code (optional)	3X ⁽²⁾
49	3	L	Type of Service Code (optional)	3X ⁽²⁾
52	3	L	Acute Inpatient Care Code (optional)	3X ⁽²⁾
55	11	L	Final (Adjusted) Procedure#	5X or 11X ⁽⁵⁾
66	5	L	Modifier Code 1 (optional)	2X or 5X ⁽²⁾
71	5	L	Modifier Code 2 (optional)	2X or 5X ⁽²⁾
76	5	L	ICD9 Code (optional)	3N or 4N or 5N (no decimal) ⁽⁶⁾
81	5	L	ICD9 Code (optional)	3N or 4N or 5N (no decimal) ⁽⁶⁾
86	5	L	ICD9 Code (optional)	3N or 4N or 5N (no decimal) ⁽⁶⁾
91	5	L	ICD9 Code (optional)	3N or 4N or 5N (no decimal) ⁽⁶⁾
96	5	L	ICD9 Code (optional)	3N or 4N or 5N (no decimal) ⁽⁶⁾
101	8	R	Total Charges (billed amount)	unpacked, implied decimal ⁽⁷⁾
109	6	R	Quantity (Days, Procedures, Drugs/Supplies)	6N
115	6	R	Units	6N
121	8	R	Conversion Factor	unpacked, implied decimal
129	8	R	Total Allowance (payment amount)	unpacked, implied decimal ⁽⁷⁾
137	4	L	Message Code	4X ⁽²⁾
141	11	L	Submitted Procedure# (optional)	5X or 11X ⁽⁵⁾
152	50	L	Procedure Description (optional)	50X
202	4	L	Batch Number	4N
206	6	L	Process Date (date tape created)	6N (MMDDYY)
212	39		Filler	Blanks

BILL REVIEW INTERFACE

Page 4 of 8

TRANSACTION LINE RECORD LAYOUT (continued)

File on FTP server specs: ascii, blank fill

<u>Definitions:</u>	A	=	Alpha	MM	=	Month
	N	=	Numeric	DD	=	Day
	X	=	Alpha - Numeric	YY	=	Year

Codes/Notes:

- (1) BSB = Beech Street
RCB = ReviewCo
CCB = Compure/Ouch
MDB = Medata
CMC = CMCI
PRI = Prime
WCS = Wcomp Casualty Service
CRI = CompReview, Inc.
- (2) The line number must be associated with an existing 660 transaction record.
- (3) Refer to the FSCONFIG list for the Fee Schedule Section (Factor) codes, POS codes, TOS codes, AIC codes, Modifier codes, and Message codes.
- (4) Hospital Revenue codes:
110 = Private room
120 = Semi-private room
160 = Other accommodations
170 = Nursery room
200 = Intensive care room
240 = Ancillary - inpatient
300 = Outpatient - DXL only
510 = Outpatient services
- (5) The Procedure# can be a standard 5N procedure code, a 1A4N HCPCS code, or a 11X National Drug code.
- (6) Up to five ICD9 codes can be entered per transaction (660) record. The system will accumulate the first five different codes from each of the line (665) records for the transaction (660) record.
- (7) The total charges, total allowance, and total number of line records per transaction will be balanced back to the 660 record. The load will be rejected if there is a mismatch.

Page 7

BILL REVIEW INTERFACE**CASE MANAGEMENT NOTES RECORD LAYOUT**

SPEN	LEN	JUST	FIELD	FORMAT
1	3	L	Record Code	'670'
4	3	L	Bill Review Vendor Code	3A ^(C)
7	4	L	Batch Number (tape ID)	4N
11	6	L	Process Date (date tape created)	6N (MMDDYY)
17	11	L	Claim Number (exclude dashes)	11N
28	30	L	Claimant Name (last name, first MI)	30X
58	6	L	From Date of Case Management Notes	6N (MMDDYY)
64	6	L	Thru Date of Case Management Notes	6N (MMDDYY)
70	3	L	Case Manager Initials	3X
73	3	R	Page Number	3N ^(C)
76	50	L	Page Heading	50X
126	75	L	Line 1 of Notes	75X
201	75	L	Line 2 of Notes	75X
276	75	L	Line 3 of Notes	75X
351	75	L	Line 4 of Notes	75X
426	75	L	Line 5 of Notes	75X
501	75	L	Line 6 of Notes	75X
576	75	L	Line 7 of Notes	75X
651	75	L	Line 8 of Notes	75X
726	75	L	Line 9 of Notes	75X
801	75	L	Line 10 of Notes	75X
876	75	L	Line 11 of Notes	75X
951	75	L	Line 12 of Notes	75X
1,026	75	L	Line 13 of Notes	75X
1,101	75	L	Line 14 of Notes	75X
1,176	75	L	Line 15 of Notes	75X
1,251	75	L	Line 16 of Notes	75X
1,326	75	L	Line 17 of Notes	75X
1,401	50		Filler	Blanks

BILL REVIEW INTERFACE

Page 6 of 8

CASE MANAGEMENT NOTES RECORD LAYOUT (continued)

File on FTP server specs: ascii, blank fill

<u>Definitions:</u>	A	=	Alpha	MM	=	Month
	N	=	Numeric	DD	=	Day
	X	=	Alpha - Numeric	YY	=	Year

Codes/Notes:

- | | | | |
|-----|-----|---|------------------------|
| (1) | BSB | = | Beech Street |
| | RCB | = | ReviewCo |
| | CCB | = | Compcore/Ouch |
| | MDB | = | Metadata |
| | CMC | = | CMCI |
| | PRI | = | Prime |
| | WCS | = | Wcomp Casualty Service |
| | CRI | = | Comp Review, Inc. |
- (2) Multiple pages can be submitted per claim. These pages will be added on to existing claim notes when updated, so do not resubmit existing notes.

BILL REVIEW INTERFACE

Page 7 of 8

TRAILER RECORD LAYOUT

POS	LEN	JUST	FIELD	FORMAT
1	3	L	Record Code	'671'
4	4	L	Batch Number (tape ID)	4N
8	6	L	Process Date (date tape created)	MMDDYY
14	6	R	Total - Number of Bills	6N ⁽¹⁾
20	8	R	Total - Total Allowance	unpacked and implied decimal ⁽²⁾
28	3	L	Bill Review Vendor Code	3A ⁽¹⁾
31	6	R	Total - Number of Note Pages	6N ⁽³⁾
37	414		Filler	Blanks

File on FTP server specs: ascii, blank fill

Definitions:

A	=	Alpha	MM	=	Month
N	=	Numeric	DD	=	Day
X	=	Alpha - Numeric	YY	=	Year

Codes/Notes:

- (1)

BSB	=	Beech Street
RCB	=	ReviewCo
CCB	=	Compure/Ouch
MDB	=	Metadata
CMC	=	CMCI
PRI	=	Prime
WCS	=	Wcomp Casualty Service
CRI	=	Comp Review, Inc.
- (2) The transaction record (660) totals will be balanced to the trailer record totals, and the load will be rejected if there is a mismatch.
- (3) The number of case management note pages (670 records) will be balanced to the trailer record totals, and the load will be rejected if there is a mismatch.

BILL REVIEW INTERFACE

Page 8 of 8

BILLER RECORD LAYOUT

POS	LEN	JUST	FIELD NAME	FORMAT
1	5	L	Billor Number	5N ⁽¹⁾
6	3	L	Unit	3X ⁽¹⁾
9	28	L	Billor Name (line 1)	28X
37	28	L	Billor Name (line 2)	28X
65	30	L	Billor Address (line 1)	30X
95	30	L	Billor Address (line 2)	30X
125	35	L	Billor City, State, Zip	35X
160	11	L	Billor IRS Number	11X
171	4	L	Billor Type Code	4X
175	10	R	Billor Phone#	7N or 10N
185	5	R	Master Billor#	5N
190	1	L	Exclude from 1099 Reporting	Blank or 'Y'
191	10	L	Filler	Blanks

File on FTP server specs: ascii, blank fill

Definitions:

A	=	Alpha
N	=	Numeric
X	=	Alpha - Numeric

Notes:

- (1) The Billor Number and Unit will create a unique id.

**COMPIQ
EXHIBIT B
PRICING SCHEDULE**

	Year 1	Year 2	Year 3	Year 4*	Year 5**
24-Hour Telephonic Reporting	\$16.00 per claim	\$16.00 per claim	\$16.00 per claim	\$16.00 per claim	\$16.00 per claim
Telephonic Medical Case Management	\$225.00 per claim	\$225.00 per claim	\$225.00 per claim	\$225.00 per claim	\$225.00 per claim
Onsite Medical Case Management	\$225.00 per claim	\$225.00 per claim	\$225.00 per claim	\$225.00 per claim	\$225.00 per claim
Medical Bill Review	\$.93 per line 2 line minimum 10 line maximum	\$.93 per line 2 line minimum 10 line maximum	\$.93 per line 2 line minimum 10 line maximum	\$.93 per line 2 line minimum 10 line maximum	\$.93 per line 2 line minimum 10 line maximum
Medical/Legal Bill Review	\$.93 per line 2 line minimum 10 line maximum	\$.93 per line 2 line minimum 10 line maximum	\$.93 per line 2 line minimum 10 line maximum	\$.93 per line 2 line minimum 10 line maximum	\$.93 per line 2 line minimum 10 line maximum
Pharmacy Bill Review	\$.93 per line 2 line minimum 10 line maximum	\$.93 per line 2 line minimum 10 line maximum	\$.93 per line 2 line minimum 10 line maximum	\$.93 per line 2 line minimum 10 line maximum	\$.93 per line 2 line minimum 10 line maximum
Vocational Rehab. Fee Review	\$.93 per line 2 line minimum 10 line maximum	\$.93 per line 2 line minimum 10 line maximum	\$.93 per line 2 line minimum 10 line maximum	\$.93 per line 2 line minimum 10 line maximum	\$.93 per line 2 line minimum 10 line maximum
Hospital PPO	13% of savings	13% of savings	13% of savings	13% of savings	13% of savings
M.D. PPO	13% of savings	13% of savings	13% of savings	13% of savings	13% of savings
UR services not provided under Case Mgmt. (SOW 1.3)	\$80.00 per hour	\$80.00 per hour	\$80.00 per hour	\$80.00 per hour	\$80.00 per hour
UR Hospital In-Patient Services (Prospective)	\$80.00 per hour	\$80.00 per hour	\$80.00 per hour	\$80.00 per hour	\$80.00 per hour
UR Hospital In-Patient Services (Concurrent)	\$80.00 per hour	\$80.00 per hour	\$80.00 per hour	\$80.00 per hour	\$80.00 per hour
UR Hospital In-patient (Retrospective) Hospital Bill Audit	13% savings	13% savings	13% savings	13% savings	13% savings
Out-patient ambulatory surgery centers	11% savings	11% savings	11% savings	11% savings	11% savings

* Optional Year 1

** Optional Year 2

g/med and dis/Exhibit B - Pricing Schedule - ComplIQ

EXHIBIT C

**CERTIFICATION OF INDEPENDENT PRICE DETERMINATION
& ACKNOWLEDGEMENT OF RFP RESTRICTIONS**

- A. By submission of this Proposal, Proposer certifies that the prices quoted herein have been arrived at independently without consultation, communication, or agreement with any other Proposer or competitor for the purpose of restricting competition.
- B. List all names and telephone number of person legally authorized to commit the Proposer.

NAME

PHONE NUMBER

Art Zeiner, Jr. President

949-770-7828 X 13

Michael J. Stively

949-770-7828 X 18

NOTE: Persons signing on behalf of the Contractor will be required to warrant that they are authorized to bind the Contractor.

- C. List names of all joint ventures, partners, subcontractors, or others having any right or interest in this contract or the proceeds thereof. If not applicable, state "NONE".

GSG Associates

- D. Proposer acknowledges that it has not participated as a consultant in the development, preparation, or selection process associated with this RFP. Proposer understands that if it is determined by the County that the Proposer did participate as a consultant in this RFP process, the County shall reject this proposal.

ComplQ Corp

Name of Firm

Art Zeiner, Jr.

President

Print Name of Signer

Title

Signature

2-26-2003

Date

EXHIBIT D

CERTIFICATION OF NO CONFLICT OF INTEREST

The Los Angeles County Code, Section 2.180.010, provides as follows:

CONTRACTS PROHIBITED

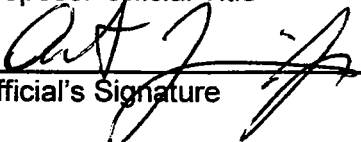
Notwithstanding any other section of this Code, the County shall not contract with, and shall reject any proposals submitted by, the persons or entities specified below, unless the Board of Supervisors finds that special circumstances exist which justify the approval of such contract:

1. Employees of the County or of public agencies for which the Board of Supervisors is the governing body;
2. Profit-making firms or businesses in which employees described in number 1 serve as officers, principals, partners, or major shareholders;
3. Persons who, within the immediately preceding 12 months, came within the provisions of number 1, and who:
 - a. Were employed in positions of substantial responsibility in the area of service to be performed by the contract; or
 - b. Participated in any way in developing the contract or its service specifications; and
4. Profit-making firms or businesses in which the former employees, described in number 3, serve as officers, principals, partners, or major shareholders.

Contracts submitted to the Board of Supervisors for approval or ratification shall be accompanied by an assurance by the department submitting, district or agency that the provisions of this section have not been violated.

ComplQ Corporation, Art Zeiner, Jr.
Proposer Name

President
Proposer Official Title


Official's Signature

Cert. of No Conflict of Interest

EXHIBIT E

Revised 07/02/2001

CHILD SUPPORT COMPLIANCE PROGRAM CERTIFICATION

Los Angeles County Code Chapter 2.200 establishes the Los Angeles County Child Support Compliance Program. This Program requires the County to provide certain information to the Child Support Services Department (CSSD) concerning its employees and business licensees. It further requires that proposers for County contracts submit certifications of Program compliance to the soliciting County department along with their proposals. (In an emergency procurement, as determined by the soliciting County department, these certifications may be provided immediately following the procurement.)

IN ORDER TO COMPLY WITH THIS REQUIREMENT, COMPLETE THIS FORM AND SUBMIT IT DIRECTLY TO THE SOLICITING COUNTY DEPARTMENT ALONG WITH YOUR PROPOSAL. IN ADDITION, PROVIDE A COPY TO THE CSSD AT THE ADDRESS OR FAX NUMBER SHOWN BELOW. SOLE PRACTITIONER MEMBERS OF AN ASSOCIATION MUST COMPLETE AND SUBMIT INDIVIDUAL FORMS.

I, (print name as shown in Proposal) ComplQ Corporation, hereby submit this certification to the (County department) Child Support Services Dept (CSSD) pursuant to the provisions of County Code Section 2.200.060, and hereby certify that (contractor or association name as shown in Proposal or proposal) ComplQ Corporation, an independently-owned or franchiser-owned business (circle one), located at (contractor or, if an association, associated member address) 2 South Pointe Dr #100, Lake Forest, CA is in compliance with Los Angeles County's Child Support Compliance Program and has met the following requirements:

- 1) Submitted a completed Principal Owner Information Form to the Child Support Services Department;
- 2) Fully complied with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and/or California Unemployment Insurance Code Section 1088.5 and will continue to comply with such reporting requirements;
- 3) Fully complied with all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b) or pursuant to applicable provisions of the Uniform Interstate Family Support Act, and will continue to comply with such Orders or Notices.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 26 day of FEBRUARY 2003 (Month and Year)
at: Lake Forest, CA 949-770-7828
(City/State) (Telephone No.)
by: Art Zeiner, Jr., President
(Signature of a principal owner, an officer, or manager responsible for submission of the proposal to the County.)

Copy to: Child Support Services Department
Special Projects
P.O. Box 911009
Los Angeles, CA 90091-1009
FAX: (323) 869-0634

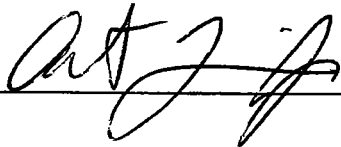
Telephone: (323) 832-7277 or (323) 832-7276

EXHIBIT F

FAMILIARITY OF THE COUNTY LOBBYIST ORDINANCE CERTIFICATION

The Proposer certifies that it is familiar with the terms of the County of Los Angeles Lobbyist Ordinance, Los Angeles Code Chapter 2.160. The Proposer also certifies that all persons acting on behalf of the Proposer organization have and will comply with it during the proposal process.

Signature: _____

A handwritten signature in black ink, appearing to be 'Art J. P.', written over a horizontal line.

Date: _____

2-26-2003

LOBBYIST

CERTIFICATION

EXHIBIT G**County of Los Angeles – Community Business Enterprise Program (CBE)****Request for Local SBE Preference Program Consideration and****CBE Firm/Organization Information Form**

INSTRUCTIONS: All proposers/bidders responding to this solicitation must complete and return this form for proper consideration of the proposal/bid.

I. LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE PROGRAM:FIRM NAME: ComplQ Corp

☒ I AM NOT ☐ A Local SBE certified by the County of Los Angeles Office of Affirmative Action Compliance as of the date of this proposal/bids submission.

☐ I AM☐ As an eligible Local SBE, I request this proposal/bid be considered for the Local SBE Preference.My County (WebVen) Vendor Number : 11259901

II. FIRM/ORGANIZATION INFORMATION: The information requested below is for statistical purposes only. On final analysis and consideration of award, contractor/vendor will be selected without regard to race/ethnicity, color, religion, sex, national origin, age, sexual orientation or disability.

Business Structure: <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Non-Profit <input type="checkbox"/> Franchise <input type="checkbox"/> Other (Please Specify) _____						
Total Number of Employees (including owners): <u>34</u>						
Race/Ethnic Composition of Firm. Please distribute the above total number of individuals into the following categories:						
Race/Ethnic Composition	Owners/Partners/ Associate Partners		Managers		Staff	
	Male	Female	Male	Female	Male	Female
Black/African American						1
Hispanic/Latino				1		2
Asian or Pacific Islander					5	1
American Indian						
Filipino						
White	3	2	3	2	5	8

III. PERCENTAGE OF OWNERSHIP IN FIRM: Please indicate by percentage (%) how ownership of the firm is distributed.

	Black/African American	Hispanic/Latino	Asian or Pacific Islander	American Indian	Filipino	White
Men	%	%	%	%	%	48%
Women	%	%	%	%	%	52%

IV. CERTIFICATION AS MINORITY, WOMEN, DISADVANTAGED, AND DISABLED VETERAN BUSINESS ENTERPRISES: If your firm is currently certified as a minority, women, disadvantaged or disabled veteran owned business enterprise by a public agency, complete the following and attach a copy of your proof of certification. (Use back of form, if necessary.)

Agency Name	Minority	Women	Dis-advantaged	Disabled Veteran	Expiration Date

V. DECLARATION: I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE ABOVE INFORMATION IS TRUE AND ACCURATE.

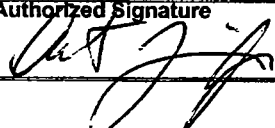
Print Authorized Name	Authorized Signature	Title	Date
Art Zeiner, Jr.		President	2-26-2003

EXHIBIT H

PRINCIPAL OWNER INFORMATION FORM

Los Angeles County Code Chapter 2.200 establishes the Los Angeles County Child Support Compliance Program. This Program requires the County to provide certain information to the Child Support Services Department (CSSD) concerning its employees and business licensees. It further requires that proposers for County contracts provide directly to the Child Support Services Department information concerning their "Principal Owners," that is, those natural persons who own an interest of 10 percent or more in the Contractor. For each "Principal Owner," the information which must be provided to the Child Support Services Department is: 1) the Principal Owner's name, 2) his or her title, and 3) whether or not the Contractor has made a payment of any sort to the Principal Owner.

IN ORDER TO COMPLY WITH THIS REQUIREMENT, COMPLETE THIS FORM AND SUBMIT IT DIRECTLY TO THE CSSD AT THE ADDRESS OR FAX NUMBER SHOWN BELOW ON OR BEFORE THE DATE YOU SUBMIT A PROPOSAL TO A COUNTY DEPARTMENT. MAINTAIN DOCUMENTATION OF SUBMISSION. SOLE PRACTITIONER MEMBERS OF AN ASSOCIATION MUST COMPLETE AND SUBMIT INDIVIDUAL FORMS.

In addition, proposers must certify to the soliciting County department that they are in full compliance with the Program requirements by submitting the Child Support Compliance Program Certification along with the bid or proposal.

To: Child Support Services Department
Special Projects
P.O. Box 911009
Los Angeles, CA 90091-1009
FAX: (323) 869-0634

Telephone: (323) 832-7277 or (323) 832-7276

Contractor or Association Name as Shown on Bid or Proposal: ComplQ Corp

Contractor or Associated Member Name, if Contractor is an Association: _____

Contractor or Associated Member Address: 2 South Pointe Drive #100, Lake Forest, CA 92630

Telephone 949-770-782

FAX: 949-770-7428

County Department Receiving Bid or Proposal:

Chief Administrative Office, Risk Management/Health & Disability Benefits

Type of Goods or Services To Be Provided:

Workers' Comp Medical & Disability Mgmt Services

Contract or Purchase Order No. (if applicable):

N/A

Principal Owners: Please check appropriate box. If box I is checked, no further information is required. Please sign and date the form below.

- I. ☐ No natural person owns an interest of 10 percent or more in this Contractor.
II. ☒ Required principal owner information is provided below. (Use a separate sheet if necessary.)

	<u>Name of Principal Owner</u>	<u>Title</u>	<u>Payment Received From Contractor</u>
1.	<u>Art Zeiner, Jr.</u>	<u>President</u>	[YES] <input type="checkbox"/> [NO] <input checked="" type="checkbox"/>
2.	<u>Michael J. Stively</u>	<u>Vice-President</u>	[YES] <input type="checkbox"/> [NO] <input checked="" type="checkbox"/>
3.	<u>Danny Spurlock</u>	<u>CIO</u>	[YES] <input type="checkbox"/> [NO] <input checked="" type="checkbox"/>
4.	<u>Marilyn Zeiner</u>	<u>Vice President, Human Resources</u>	No <input checked="" type="checkbox"/>
5.	<u>Janet E. Stively</u>	<u>CFO</u>	No <input checked="" type="checkbox"/>

I declare under penalty of perjury that the foregoing information is true and correct.

By: Art Zeiner, Jr. Date: 2-26-2003
(Signature of a principal owner, an officer, or manager responsible for submission of the bid or proposal to the County.)

Art Zeiner, Jr.
(Print Name)
POI FORM REVISED 07/02/01

President
(Title/Position)

EXHIBIT I

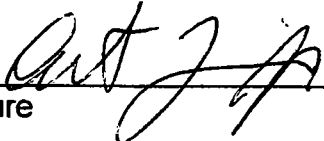
CONTRACTOR'S EEO CERTIFICATION

ComplQ Corp
Company Name
2 South Pointe Drive, Suite 100, Lake Forest, CA 92630
Address
33-0803325
Internal Revenue Service Employer identification Number

GENERAL

In accordance with provisions of the County Code of the County of Los Angeles, the Contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CERTIFICATION	YES	NO
1. Contractor has written policy statement prohibiting discrimination in all phases of employment.	(X)	()
2. Contractor periodically conducts a self-analysis or utilization analysis of its work force.	(X)	()
3. Contractor has a system for determining if its employment practices are discriminatory against protected groups.	(X)	()
4. When areas are identified in employment practices, Contractor has a system for taking reasonable corrective action to include establishment of goal and/or timetables.	(X)	()


Signature

2-26-2003
Date

Art Zeiner, Jr.
Name and Title of Signer (please print)

EXHIBIT J

**ATTESTATION OF WILLINGNESS TO CONSIDER
GAIN/GROW PARTICIPANTS**

As a threshold requirement for consideration for contract award, Proposer shall demonstrate a proven record for hiring GAIN/GROW participants or shall attest to a willingness to consider GAIN/GROW participants for any future employment opening if they meet the minimum qualifications for that opening. Additionally, Proposer shall attest to a willingness to provide employed GAIN/GROW participants access to the Proposer's employee mentoring program, if available, to assist these individuals in obtaining permanent employment and/or promotional opportunities.

Proposers unable to meet this requirement shall not be considered for contract award.

Proposer shall complete all of the following information, sign where indicated below, and return this form with any resumes and/or fixed price bid being submitted:

- A. Proposer has a proven record of hiring GAIN/GROW participants and will continue to consider GAIN/GROW participants for any future employment openings.

☐ YES ☒ NO (subject to verification by County)

- B. Proposer is willing to consider GAIN/GROW participants for any future employment openings if the GAIN/GROW participant meets the minimum qualifications for the opening. "Consider" means that Proposer is willing to interview qualified GAIN/GROW participants.

☒ YES ☐ NO

- C. Proposer is willing to provide employed GAIN/GROW participants access to its employee-mentoring program, if available.

☐ YES ☐ NO ☒ N/A (Program not available)

Proposer Organization: ComplQ Corporation

Signature: 

Print Name: Art Zeiner, Jr.

Title: President Date: 2-26-2003

Tel.#: 949-770-7828 X 13 Fax #: 949-770-7428

GAIN/GROW ATTESTATION

EXHIBIT K

COUNTY OF LOS ANGELES CONTRACTOR EMPLOYEE JURY SERVICE PROGRAM APPLICATION FOR EXCEPTION AND CERTIFICATION FORM

The County's solicitation for this contract/purchase order (Request for Proposal or Invitation for Bid) is subject to the County of Los Angeles Contractor Employee Jury Service Program (Program) (Los Angeles County Code, Chapter 2.203). All bidders or proposers, whether a contractor or subcontractor, must complete this form to either 1) request an exception from the Program requirements or 2) certify compliance. Upon review of the submitted form, the County department will determine, in its sole discretion, whether the bidder or proposer is excepted from the Program.

Company Name: ComplIQ Corp

Company Address: 2 South Pointe Drive, Suite 100

City: Lake Forest

State: CA

Zip Code: 92630

Telephone Number: 949-770-7828 X 13

Solicitation For (Type of Goods or Services): Workers' Compensation Medical & Disability Management Services

If you believe the Jury Service Program does not apply to your business, check the appropriate box in Part I (attach documentation to support your claim); or, complete Part II to certify compliance with the Program. Whether you complete Part I or Part II, please sign and date this form below.

Part I: Jury Service Program Is Not Applicable to My Business

- ☒ My business does not meet the definition of "contractor," as defined in the Program as it has not received an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts (this exception is not available if the contract/purchase order itself will exceed \$50,000). I understand that the exception will be lost and I must comply with the Program if my revenues from the County exceed an aggregate sum of \$50,000 in any 12-month period.
- ☐ My business is a small business as defined in the Program. It 1) has ten or fewer employees; and, 2) has annual gross revenues in the preceding twelve months which, if added to the annual amount of this contract, are \$500,000 or less; and, 3) is not an affiliate or subsidiary of a business dominant in its field of operation, as defined below. I understand that the exemption will be lost and I must comply with the Program if the number of employees in my business and my gross annual revenues exceed the above limits.

"Dominant in its field of operation" means having more than ten employees, including full-time and part-time employees, and annual gross revenues in the preceding twelve months, which, if added to the annual amount of the contract awarded, exceed \$500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

- ☐ My business is subject to a Collective Bargaining Agreement (attach agreement) that expressly provides that it supersedes all provisions of the Program.

OR

Part II - Certification of Compliance

- ☒ My business has and adheres to a written policy that provides, on an annual basis, no less than five days of regular pay for actual jury service for full-time employees of the business who are also California residents, or my company will have and adhere to such a policy prior to award of the contract.

I declare under penalty of perjury under the laws of the State of California that the information stated above is true and correct.

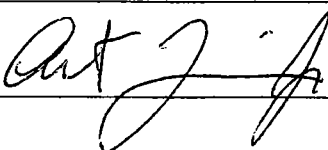
Print Name: Art Zeiner, Jr.	Title: President
Signature: 	Date: 2-26-2003

EXHIBIT L1

CONTRACT FOR WORKERS' COMPENSATION MEDICAL AND DISABILITY MANAGEMENT AND COST CONTAINMENT SERVICES

CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

CONTRACTOR NAME

Contract No. _____

Employee Name _____

GENERAL INFORMATION:

Your employer referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Employee Acknowledgement and Confidentiality Agreement.

EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

Initials of Signer _____

Contractor Name _____ Contract No. _____

Employee Name _____

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to my immediate supervisor.

I agree to keep confidential all health; criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

EXHIBIT L2

CONTRACT FOR WORKERS' COMPENSATION MEDICAL AND DISABILITY MANAGEMENT AND COST CONTAINMENT SERVICES

NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

CONTRACTOR NAME

Contract No. _____

Non-Employee Name _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Non-Employee Acknowledgement and Confidentiality Agreement.

NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above has exclusive control for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon the Contractor referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

Initials of Signer _____

Contractor Name _____ Contract No. _____

Non-Employee Name _____

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between the above-referenced Contractor and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Contractor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I shall keep such information confidential.

I agree to report to the above-referenced Contractor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Contractor upon completion of this contract or termination of my services hereunder, whichever occurs first.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____ DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

EXHIBIT M
COUNTY'S ADMINISTRATION

CONTRACT NO. _____

CHIEF ADMINISTRATIVE OFFICER:

Name: David E. Janssen
Title: Chief Administrative Officer
Address: 500 West Temple Street, Room 713
Los Angeles, CA 90012
Telephone: (213) 974-1101

COUNTY CONTRACT ADMINISTRATOR:

Name: Constance S. Sullivan
Title: Assistant Division Chief, Risk Management Branch
Address: 3333 Wilshire Boulevard, Suite 1000
Los Angeles, CA 90010
Telephone: (213) 738-2233
Facsimile: (213) 637-0822
E-Mail Address: csulliva@cao.co.la.ca.us

COUNTY CONTRACT MANAGER:

Name: Alex Rossi
Title: Chief Program Specialist, Risk Management Branch
Address: 3333 Wilshire Boulevard, Suite 1000
Los Angeles, CA 90010
Telephone: (213) 738-2154
Facsimile: (213) 637-0822
E-Mail Address: arossi@cao.co.la.ca.us

COUNTY CONTRACT MONITOR:

Name: Lloyd Pantell
Title: Program Specialist III, Risk Management Branch
Address: 3333 Wilshire Boulevard, Suite 1000
Los Angeles, CA 90010
Telephone: (213) 738-2112
Facsimile: (213) 637-0822
E-Mail Address: lpantell@cao.co.la.ca.us

EXHIBIT N

CONTRACTOR'S ADMINISTRATION

CONTRACTOR'S NAME Compiq Corp

CONTRACT NO. _____

CONTRACTOR'S PROJECT MANAGER:

Name: Art Zeiner, Jr

Title: President

Address: 2 South Pointe Dr., suite 100
Lake Forest, Ca 92630

Telephone: 949-770-7828 x13

Facsimile: 949-770-7428

E-Mail Address: art@compiq.com

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name: Art Zeiner, Jr

Title: President

Address: Same as above

Telephone: _____

Facsimile: _____

E-Mail Address: _____

Name: Mike Stively

Title: Vice President

Address: 2 South Pointe Dr., suite 100
Lake Forest, Ca 92630

Telephone: 949-770-7828 x14

Facsimile: 949-770-7428

E-Mail Address: mikestively@compiq.com

Notices to Contractor shall be sent to the following address:

Address: 2 South Pointe Dr., suite 100
Lake Forest Ca 92630

Telephone: 949-770-7828 x13

Facsimile: 949-770-7428

E-Mail Address: art@compiq.com

g /Med and Dis/Exhibit N – Contractor's Administration

EXHIBIT O
ORDINANCE NO.

An ordinance amending Title 2 - Administration of the Los Angeles County Code relating to jury service policies of contractors of the County of Los Angeles.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Chapter 2.203 is hereby added to read as follows:

Chapter 2.203

CONTRACTOR EMPLOYEE JURY SERVICE

2.203.010 Findings. The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies.

2.203.020 Definitions. The following definitions shall be applicable to this chapter:

A. "Contractor" means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of \$50,000 or more in any 1%month period under one or more such contracts or subcontracts.

B. "Employee" means any California resident who is a full-time employee of a contractor under the laws of California.

C. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:

1. A contract where the board finds that special circumstances exist

that justify a waiver of the requirements of this chapter; or

2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or
3. A purchase made through a state or federal contract; or
4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-3700 or a successor provision; or
5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, section 4.4.0 or a successor provision; or
6. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-281 0 or a successor provision; or
7. A non-agreement purchase with a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or
8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section PP-1100 or a successor provision.

D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if the lesser number is a recognized industry standard as determined by the chief administrative officer or the contractor has a long-standing practice that defines a full-time schedule as less than 40 hours per week.

2.203.030 Applicability. This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable.

2.203.040 Contractor Jury Service Policy. A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service.

2.203.050 Other Provisions.

A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.

B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract.

2.203.060 Enforcement and Remedies. For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor.

2.203.070. Exceptions.

A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.

B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.

C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:

1. Has ten or fewer employees during the contract period; and,
2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed \$500,000..

"Affiliate or subsidiary of a business dominant in its field of operation"

means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

2.203.090. Severability. If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

EXHIBIT P

LISTING OF CONTRACTORS DEBARRED IN LOS ANGELES COUNTY

Vendor Name: Shobie Enterprises DBA Seahawk Construction
Principal Owners: Shamir Ahmad Qazi
Debarment Start Date: April 30, 2002 **Debarment End Date:** April 30, 2005

Vendor Name: Automation Data Solutions
Principal Owners: Renee Setero
Debarment Start Date: March 4, 2003 **Debarment End Date:** March 3, 2006

EXHIBIT Q

COUNTY OF LOS ANGELES POLICY ON DOING BUSINESS WITH SMALL BUSINESS

Forty-two percent of businesses in Los Angeles County have five or fewer employees. Only about four percent of businesses in the area exceed 100 employees. According to the Los Angeles Times and local economists, it is not large corporations, but these small companies that are generating new jobs and helping move Los Angeles County out of its worst recession in decades.

WE RECOGNIZE. . .

The importance of small business to the County. . .

- in fueling local economic growth
- providing new jobs
- creating new local tax revenues
- offering new entrepreneurial opportunity to those historically under-represented in business

The County can play a positive role in helping small business grow. . .

- as a multi-billion dollar purchaser of goods and services
- as a broker of intergovernmental cooperation among numerous local jurisdictions
- by greater outreach in providing information and training
- by simplifying the bid/proposal process
- by maintaining selection criteria which are fair to all
- by streamlining the payment process

WE THEREFORE SHALL:

1. Constantly seek to streamline and simplify our processes for selecting our vendors and for conducting business with them.
2. Maintain a strong outreach program, fully-coordinated among our departments and districts, as well as other participating governments to: a) inform and assist the local business community in competing to provide goods and services; b) provide for ongoing dialogue with and involvement by the business community in implementing this policy.
3. Continually review and revise how we package and advertise solicitations, evaluate and select prospective vendors, address subcontracting and conduct business with our vendors, in order to: a) expand opportunity for small business to compete for our business; and b) to further opportunities for all businesses to compete regardless of size.
4. Insure that staff who manage and carry out the business of purchasing goods and services are well trained, capable and highly motivated to carry out the letter and spirit of this policy.

No shame.

No blame.

No names.

**Newborns can be safely given up
at any Los Angeles County
hospital emergency room or fire station.**



In Los Angeles County:

1-877-BABY SAFE

1-877-222-9723

www.babysafela.org



State of California
Gray Davis, Governor

Health and Human Services Agency
Grantland Johnson, Secretary

Department of Social Services
Rita Saenz, Director



Los Angeles County Board of Supervisors

Gloria Molina, Supervisor, First District

Yvonne Brathwaite Burke, Supervisor, Second District

Zev Yaroslavsky, Supervisor, Third District

Don Knabe, Supervisor, Fourth District

Michael D. Antonovich, Supervisor, Fifth District

This initiative is also supported by First 5 LA and INFO LINE of Los Angeles.

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents to give up their baby confidentially. As long as the baby has not been abused or neglected, parents may give up their newborn without fear of arrest or prosecution.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially and safely give up a baby within three days of birth. The baby must be handed to an employee at a Los Angeles County emergency room or fire station. As long as the child shows no signs of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, workers will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their newborns within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?

In most cases, a parent will bring in the baby. The law allows other people to bring in the baby if they have legal custody.

Does the parent have to call before bringing in the baby?

No. A parent can bring in a baby anytime, 24 hours a day, 7 days a week so long as the parent gives the baby to someone who works at the hospital or fire station.

Does a parent have to tell anything to the people taking the baby?

No. However, hospital personnel will ask the parent to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the child. Although encouraged, filling out the questionnaire is not required.

What happens to the baby?

The baby will be examined and given medical treatment, if needed. Then the baby will be placed in a pre-adoptive home.

What happens to the parent?

Once the parent(s) has safely turned over the baby, they are free to go.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned by their parents and potentially being hurt or killed. You may have heard tragic stories of babies left in dumpsters or public bathrooms. The parents who committed these acts may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had nowhere to turn for help, they abandoned their infants. Abandoning a baby puts the child in extreme danger. It is also illegal. Too often, it results in the baby's death. Because of the Safely Surrendered Baby Law, this tragedy doesn't ever have to happen in California again.

A baby's story

At 8:30 a.m. on Thursday, July 25, 2002, a healthy newborn baby was brought to St. Bernardine Medical Center in San Bernardino under the provisions of the California Safely Surrendered Baby Law. As the law states, the baby's mother did not have to identify herself. When the baby was brought to the emergency room, he was examined by a pediatrician, who determined that the baby was healthy and doing fine. He was placed with a loving family while the adoption process was started.

Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a newborn, let her know there are other options.

It is best that women seek help to receive proper medical care and counseling while they are pregnant. But at the same time, we want to assure parents who choose not to keep their baby that they will not go to jail if they deliver their babies to safe hands in any Los Angeles County hospital ER or fire station.

Sin pena. Sin culpa. Sin peligro.

**Los recién nacidos pueden ser entregados
en forma segura en la sala de emergencia de
cualquier hospital o en un cuartel de bomberos
del Condado de Los Angeles.**



En el Condado de Los Angeles:

1-877-BABY SAFE

1-877-222-9723

www.babysafela.org



Estado de California
Gray Davis, Gobernador

Agencia de Salud y Servicios Humanos
(Health and Human Services Agency)
Grantland Johnson, Secretario

Departamento de Servicios Sociales
(Department of Social Services)
Rita Saenz, Directora



Consejo de Supervisores del Condado de Los Angeles

Gloria Molina, Supervisora, Primer Distrito

Yvonne Brathwaite Burke, Supervisora, Segundo Distrito

Zev Yaroslavsky, Supervisor, Tercer Distrito

Don Knabe, Supervisor, Cuarto Distrito

Michael D. Antonovich, Supervisor, Quinto Distrito

Esta Iniciativa también está apoyada por First 5 LA y INFO LINE de Los Angeles.

¿Qué es la Ley de Entrega de Bebés Sin Peligro?

La Ley de Entrega de Bebés Sin Peligro de California permite a los padres entregar a su recién nacido confidencialmente. Siempre que el bebé no haya sufrido abuso ni negligencia, padres pueden entregar a su recién nacido sin temor a ser arrestados o procesados.

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura, dentro de los tres días del nacimiento. El bebé debe ser entregado a un empleado de una sala de emergencias o de un cuartel de bomberos del Condado de Los Angeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre recibirá un brazalete igual.

¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden empezar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Angeles, al 1-800-540-4000.

¿Sólo los padres podrán llevar al recién nacido?

En la mayoría de los casos, los padres son los que llevan al bebé. La ley permite que otras personas lleven al bebé si tienen la custodia legal del menor.

¿Los padres deben llamar antes de llevar al bebé?

No. El padre/madre puede llevar a su bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, mientras que entregue a su bebé a un empleado del hospital o de un cuartel de bomberos.

¿Es necesario que el padre/madre diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital le pedirá que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para los cuidados que recibirá el bebé. Es recomendado llenar este cuestionario, pero no es obligatorio hacerlo.

¿Qué ocurrirá con el bebé?

El bebé será examinado y, de ser necesario, recibirá tratamiento médico. Luego el bebé se entregará a un hogar preadoptivo.

¿Qué pasará con el padre/madre?

Una vez que los padres hayan entregado a su bebé en forma segura, serán libres de irse.

¿Por qué California hace esto?

La finalidad de la Ley de Entrega de Bebés Sin Peligro es proteger a los bebés del abandono por parte de sus padres y de la posibilidad de que mueran o sufran daños. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Es posible que los padres que cometieron estos actos hayan estado atravesando dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus recién nacidos porque tenían miedo y no tenían adonde recurrir para obtener ayuda. El abandono de un recién nacido lo pone en una situación de peligro extremo. Además es ilegal. Muy a menudo el abandono provoca la muerte del bebé. Ahora, gracias a la Ley de Entrega de Bebés Sin Peligro, esta tragedia ya no debe suceder nunca más en California.

Historia de un bebé

A las 8:30 a.m. del jueves 25 de julio de 2002, se entregó un bebé recién nacido saludable en el St. Bernardine Medical Center en San Bernardino, en virtud de las disposiciones de la Ley de Entrega de Bebés Sin Peligro. Como lo establece la ley, la madre del bebé no se tuvo que identificar. Cuando el bebé llegó a la sala de emergencias, un pediatra lo revisó y determinó que el bebé estaba saludable y no tenía problemas. El bebé fue ubicado con una buena familia, mientras se iniciaban los trámites de adopción.

**Cada recién nacido merece una
oportunidad de tener una vida saludable.
Si alguien que usted conoce está pensando
en abandonar a un recién nacido, infórmele
qué otras opciones tiene.**

Es mejor que las mujeres busquen ayuda para recibir atención médica y asesoramiento adecuado durante el embarazo. Pero al mismo tiempo, queremos asegurarles a los padres que optan por no quedarse con su bebé que no irán a la cárcel si dejan a sus bebés en buenas manos en cualquier sala de emergencia de un hospital o en un cuartel de bomberos del Condado de Los Angeles.



CONTRACT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

CORVEL HEALTHCARE CORPORATION

FOR

**WORKERS' COMPENSATION
MEDICAL AND DISABILITY MANAGEMENT
AND COST CONTAINMENT SERVICES**

**CONTRACT PROVISIONS
TABLE OF CONTENTS**

PARAGRAPH	TITLE	PAGE
RECITALS		1
1.0	APPLICABLE DOCUMENTS	1
2.0	DEFINITIONS	3
3.0	WORK PROVIDED BY CONTRACTOR.....	3
4.0	TERM OF CONTRACT	3
5.0	PAYMENT FOR WORK	4
5.1	PAYMENT PURSUANT TO PRICING SCHEDULE.....	4
5.2	NO PAYMENT FOR SERVICES OUTSIDE SCOPE OF STATEMENT OF WORK	4
5.3	MONTHLY INVOICE	4
5.4	ADJUSTMENTS TO MONTHLY INVOICES AND TOTAL FEES PAID.....	5
5.5	ADJUSTMENTS FOR OVERPAYMENT, FINE, PENALTY, OR OTHER COST	5
5.6	NOTICE OF ASSESSMENT OF ADJUSTMENTS TO PAYMENTS.....	6
5.7	MANDATORY DISPUTE ARBITRATION.....	7
5.8	QUALITY CONTROL PLAN.....	7
5.9	ADJUSTMENT PURSUANT TO AUDIT AND RECORD RETENTION REQUIREMENT	9
5.10	ADJUSTMENT FOR FAILURE TO MEET PERFORMANCE REQUIREMENTS..	10
6.0	ADMINISTRATION OF CONTRACT- COUNTY	10
6.1	COUNTY'S CONTRACT ADMINISTRATOR.....	10
6.2	COUNTY'S CONTRACT MANAGER	11
6.3	COUNTY'S CONTRACT MONITOR.....	12
7.0	ADMINISTRATION OF CONTRACT - CONTRACTOR.....	12
7.1	CONTRACTOR'S PROJECT MANAGER.....	12
7.2	APPROVAL OF CONTRACTOR'S STAFF	13
7.3	CONFIDENTIALITY.....	13
8.0	TERMS AND CONDITIONS.....	13
8.1	ASSIGNMENT AND DELEGATION.....	13
8.2	SUBCONTRACTING	14
8.3	CHANGE NOTICES AND AMENDMENTS.....	15
8.4	COMPLIANCE WITH APPLICABLE LAW.....	15
8.5	COMPLIANCE WITH CIVIL RIGHTS LAWS.....	16

**CONTRACT PROVISIONS
TABLE OF CONTENTS**

PARAGRAPH	TITLE	PAGE
8.6	CONFLICT OF INTEREST	16
8.7	CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST	17
8.8	CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS.....	17
8.9	CONTRACTOR'S RESPONSIBILITY AND DEBARMENT.....	17
8.10	CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT	19
8.11	CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM	19
8.12	COUNTY'S QUALITY ASSURANCE PLAN.....	19
8.13	EMPLOYMENT ELIGIBILITY VERIFICATION.....	20
8.14	FAIR LABOR STANDARDS	20
8.15	GOVERNING LAW, JURISDICTION, AND VENUE.....	20
8.16	INDEPENDENT CONTRACTOR STATUS	20
8.17	INDEMNIFICATION.....	21
8.18	GENERAL INSURANCE REQUIREMENTS	21
8.19	INSURANCE COVERAGE REQUIREMENTS.....	23
8.20	PERFORMANCE SECURITY REQUIREMENTS	25
8.21	LICENSES, PERMITS, REGISTRATIONS AND CERTIFICATES	25
8.22	MOST FAVORED PUBLIC ENTITY.....	25
8.23	NONDISCRIMINATION IN EMPLOYMENT.....	25
8.24	NONEXCLUSIVITY	27
8.25	NOTICE OF DELAYS	27
8.26	NOTICE OF DISPUTES	27
8.27	NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT	27
8.28	NOTICES	27
8.29	PUBLIC RECORDS ACT	27
8.30	PUBLICITY	28
8.31	NOTICE WHEN 75% CONTRACT AUTHORIZATION INCURRED OR WITHIN SIX MONTHS FROM EXPIRATION OF TERM.....	29

**CONTRACT PROVISIONS
TABLE OF CONTENTS**

PARAGRAPH	TITLE	PAGE
8.32	RECYCLED PAPER.....	29
8.33	TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN CHILD SUPPORT COMPLIANCE.....	29
8.34	TERMINATION FOR CONVENIENCE	29
8.35	TERMINATION FOR DEFAULT	31
8.36	TERMINATION FOR IMPROPER CONSIDERATION	32
8.37	TERMINATION FOR INSOLVENCY.....	33
8.38	TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE.....	33
8.39	TERMINATION FOR NON-APPROPRIATION OF FUNDS	33
8.40	BUDGET REDUCTIONS	34
8.41	REPORTS AND RECORDS.....	34
8.42	VALIDITY	34
8.43	WAIVER.....	34
8.44	WARRANTY AGAINST CONTINGENT FEES.....	34
8.45	COMPLIANCE WITH JURY DUTY PROGRAM.....	35
8.46	NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF CONTRACT	36
8.47	AUTHORIZATION WARRANTY	37
8.48	NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW.....	37
8.49	CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW	37
8.50	INTERPRETATION	37
SIGNATURES		38
EXHIBITS		
A STATEMENT OF WORK		
-- Technical Exhibits		
1 Contract Discrepancy Report		
2 Performance Requirements Summary Chart		
3 Data Format		
B PRICING SCHEDULE		

**CONTRACT PROVISIONS
TABLE OF CONTENTS**

EXHIBITS

- C CERTIFICATION OF INDEPENDENT PRICE DETERMINATION &
ACKNOWLEDGEMENT OF RFP RESTRICTIONS
- D CERT. NO CONFLICT OF INTEREST
- E CHILD SUPPORT COMPLIANCE PROGRAM CERTIFICATION
- F FAMILIARITY OF THE COUNTY LOBBYIST ORDINANCE PROGRAM
- G L.A. COUNTY COMMUNITY BUSINESS ENTERPRISE PROGRAM
- H PRINCIPAL OWNER INFORMATION (POI) FORM
- I PROPOSER'S EEO CERTIFICATION
- J ATTESTATION OF WILLINGNESS TO CONSIDER GAIN/GROW PARTICIPANTS
- K COUNTY OF LOS ANGELES CONTRACTOR EMPLOYEE
JURY SERVICES PROGRAM

EXHIBITS L1 AND L2 REQUIRED AT TIME OF CONTRACT EXECUTION

- L1 CONTRACTOR EMPLOYEE ACKNOWLEDGMENT AND
CONFIDENTIALITY AGREEMENT
- L2 CONTRACTOR NON-EMPLOYEE ACKNOWLEDGMENT AND
CONFIDENTIALITY
- M COUNTY'S ADMINISTRATION
- N CONTRACTOR'S ADMINISTRATION
- O JURY SERVICE ORDINANCE
- P LISTING OF CONTRACTORS DEBARRED IN LOS ANGELES COUNTY
- Q DOING BUSINESS WITH SMALL BUSINESS
- R SAFELY SURRENDERED BABY LAW

**CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
CORVEL HEALTHCARE CORPORATION
FOR
WORKER' COMPENSATION
MEDICAL AND DISABILITY MANAGEMENT AND
COST CONTAINMENT SERVICES**

This Contract and Exhibits made and entered into this ____ day of _____, 2003 by and between the County of Los Angeles, hereinafter referred to as County and CorVel Healthcare Corporation, hereinafter referred to as Contractor. Contractor is located at 600 City Parkway West, Suite 200, Orange, California 92868.

RECITALS

WHEREAS, Los Angeles County Code Section 5.31.050 provides that the County establishes, administers, and operates a complete self-insurance workers' compensation program; and

WHEREAS, pursuant to the California Government Code Sections 31000 and 31000.8, County is authorized to contract with private firms to perform such services; and

WHEREAS, the Contractor is a private firm specializing in providing medical and disability management and cost containment services; and

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:

1.0 APPLICABLE DOCUMENTS

Exhibits A, B, C, D, E, F, G, H, I, J, K, L1, L2, M, N, O, P, Q, and R are attached to and form a part of this Contract. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Contract and the Exhibits, or between Exhibits, such conflict or inconsistency shall be

resolved by giving precedence first to the Contract and then to the Exhibits according to the following priority:

- 1.1 EXHIBIT A - Statement of Work
- 1.2 EXHIBIT B - Pricing Schedule
- 1.3 EXHIBIT C - Certification of Independent Price Determination & Acknowledgement of RFP Restrictions
- 1.4 EXHIBIT D - Cert. No Conflict of Interest
- 1.5 EXHIBIT E - Child Support Compliance Program Certification
- 1.6 EXHIBIT F - Familiarity of the County Lobbyist Ordinance Program
- 1.7 EXHIBIT G - L.A. County Community Business Enterprise Program
- 1.8 EXHIBIT H - Principal Owner Information (POI) Form
- 1.9 EXHIBIT I - Proposers EEO Certification
- 1.10 EXHIBIT J - Attestation of Willingness to Consider GAIN/GROW Participants
- 1.11 EXHIBIT K - County of Los Angeles Contractor Employee Jury Services Program
- 1.12 EXHIBIT L1 – Contractor Employee Acknowledgement and Confidentiality Agreement
- 1.13 EXHIBIT L2 – Contractor Non-Employee Acknowledgement and Confidentiality Agreement
- 1.14 EXHIBIT M - County's Administration
- 1.15 EXHIBIT N - Contractor's Administration
- 1.16 EXHIBIT O - Jury Service Ordinance
- 1.17 EXHIBIT P - Listing of Contractors Debarred in Los Angeles County
- 1.18 EXHIBIT Q - Doing Business with Small Business
- 1.19 EXHIBIT R– Safely Surrendered Baby Law

This Contract and the Exhibits hereto constitute the complete and exclusive statement of understanding between the parties, and supersedes all previous Contracts, written and oral, and all communications between the parties relating to the subject matter of this Contract.

2.0 DEFINITIONS

Throughout this Contract, references are made to certain persons, groups, or departments/agencies. For convenience, a description of specific definitions can be found in Exhibit A, Section I, Paragraph 1.0, Definitions.

3.0 WORK PROVIDED BY CONTRACTOR

- 3.1 Pursuant to the provisions of this Contract, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in the Statement of Work, Exhibit A and in any other provision of this Contract.
- 3.2 If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same shall be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever against the County.

4.0 TERM OF CONTRACT

- 4.1 The term of this Contract shall be three (3) years with two one-year optional extensions as described in 4.2 below. The Contract shall commence on November 7, 2003, and terminate on November 6, 2006, following execution by County's Board of Supervisors, unless sooner terminated or extended, in whole or in part, as provided in this Contract.
- 4.2 This Contract may be extended by mutual agreement of the parties for up to two additional one-year periods, for a maximum total Contract term of five (5) years. Such extensions of the term shall not change any other term or condition of the Contract. The Chief Administrative Officer is authorized to act on behalf of the County in agreeing to such extensions.
- 4.3 In the event of expiration of the term of the Contract or termination prior to the expiration of the term of this Contract, the Contractor shall fully cooperate with County to provide for the transition to whatever service replacement method the County determines to be in its best interest.
- 4.4 Upon mutual agreement between County and Contractor, the Contractor shall assume County claims/files from other County Claims Administrators at substantially the same terms of this Agreement.

5.0 PAYMENT FOR WORK

5.1 Payment Pursuant to Pricing Schedule

The County shall pay the Contractor in arrears on a (flat fee or per unit of service) basis as set forth in the Pricing Schedule attached hereto as Exhibit B based on monthly invoices submitted by Contractor and subject to the adjustments and conditions set forth herein.

5.2 No Payment for Services Outside Scope of Statement of Work

The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed outside the scope of the Statement of Work, or for any incidental or administrative expenses whatsoever incurred in or incidental to performance of services within the Statement of Work, except as specified herein.

5.3 Monthly Invoice

5.3.1 Monthly Invoices

The Contractor shall invoice the County monthly in arrears for fees due for the billing period. The invoices shall clearly reflect and provide reasonable detail as determined by the CCA of the services provided as specified in Exhibit A – Statement of Work and elsewhere herein. All invoices under this Contract shall be submitted to the following address:

Chief Administrative Office
Constance S. Sullivan, Assistant Division Chief
Risk Management Branch
3333 Wilshire Boulevard, Suite 1000
Los Angeles, CA 90010
(213) 738-2233
Fax: (213) 637-0822
csullivan@cao.co.la.ca.us

5.3.1.1 The Contractor's invoices shall be priced in accordance with Exhibit B - Pricing Schedule.

5.3.1.2 The Contractor's invoices shall contain the information set forth in Exhibit A - Statement of Work describing the tasks, deliverables, goods, services, work hours, and facility and/or other work for which payment is claimed.

5.3.2 **County Approval of Invoices.** All invoices submitted by the Contractor for payment must have the written approval of the County's Contract Administrator for compliance with this

contract prior to any payment thereof. In no event shall the County be liable or responsible for any payment prior to such written approval.

5.4 Adjustments to Monthly Invoices and Total Fees Paid

5.4.1 The County will adjust the invoice as follows:

5.4.1.1 The County may reduce the monthly invoice for assessment of adjustments to payments pursuant to Paragraph 5.5 for which the County has notified Contractor pursuant to Paragraph 5.6 of this Section at any time prior to receipt of the monthly invoice.

5.4.1.2 The County shall increase or reduce the monthly invoice pursuant to Section 5.8, Quality Control Plan.

5.4.1.3 The County may reduce the monthly invoice for assessment of adjustments pursuant to Paragraph 5.10 and for payments made pursuant to Paragraph 8.1.3.

5.4.2 Adjustments to Total Fees Paid

The total fees paid pursuant to this Contract will be reduced for overpayments, fines, penalties and other costs incurred by County due to the Contractor's failure to comply with any term or condition of this Contract as further set forth in Paragraph 5.5 Adjustments for Overpayment, Fine, Penalty or Other Cost; and will be increased or reduced as set forth in Paragraph 5.8 Quality Control Plan; and will be reduced for adjustments for Contractor's failure to meet performance requirements as further set forth in Paragraph 5.10. The County's payment is subject to adjustment following audit as set forth in Paragraph 5.9 of this Section, Adjustment Pursuant to Audit and Record Retention Requirement.

5.5 Adjustments for Overpayment, Fine, Penalty or Other Cost

The Contractor shall reimburse the County for any overpayment, fine, penalty or defense cost incurred due to the Contractor's failure to comply with any term or condition of this Contract. No reimbursement by the Contractor is required under this section if Contractor's act(s) and/or omission(s) were expressly approved or directed by an authorized County representative.

5.5.1 Such failure includes but is not limited to the following:

- 5.5.1.1** Late payment or nonpayment of any medical bill to any medical provider resulting in penalty or attorney fees.
- 5.5.1.2** Overpayment of any medical bill owed to any medical provider in a case due to Contractor's failure to comply with the general standards of care and generally accepted best practices of the workers' compensation claims administration industry, any State or Federal requirement, or any written County policy provided to Contractor prior to the overpayment.
- 5.5.1.3** Excessive payment to any medical provider in a case due to Contractor's failure to comply in a timely manner with the general standards of care and generally accepted best practices of the workers' compensation claims administration industry, any State or Federal requirement, or any written County policy provided to Contractor prior to the excessive payment.
- 5.5.1.4** Fines or penalty assessed against the Contractor or the County due to the Contractor's failure to comply with the general standards of care and generally accepted practices in the workers' compensation claims administration industry, any State or Federal requirement, or any written County policy provided to Contractor prior to the failure by Contractor.

5.6 Notice of Assessment of Adjustments to Payments

The County shall give notice to the Contractor of any assessment of adjustment pursuant to Paragraph 5.5, Adjustments for Overpayment, Fine, Penalty or Other Cost. The Contractor shall have the opportunity to respond to the assessment including the following:

- 5.6.1** Evidence that an overpayment or excessive cost was not made.
- 5.6.2** Evidence that the Contractor complied with the general standards of care and generally accepted practices of the workers' compensation claims administration industry, State

or Federal requirements, or any written County policy provided to Contractor.

5.6.3 Evidence that Contractor obtained prior approval from an authorized County official.

5.7 Mandatory Dispute Arbitration

The Contractor and the County shall submit all disputes relating to Paragraph 5.5, Adjustments for Overpayment, Fine, Penalty or Other Cost, to binding arbitration, in accordance with California Code of Civil Procedure Sections 1280 through 1294.2. Either the Contractor or the County may enforce the award of the arbitrator under Section 1285 of the Code. The Contractor and the County understand that they are waiving their rights to a jury trial.

5.7.1 The Contractor and the County shall select a mutually acceptable arbitrator. If for any reason the Contractor and the County cannot agree on a mutually acceptable arbitrator, either the Contractor or the County may apply to the Superior Court for the designation of five possible arbitrators meeting the qualifications of Paragraph 5.7.2. The Contractor and the County may then each strike two names from the list within the next five days. The court shall then appoint as arbitrator a person whose name has not been struck from the list.

5.7.2 The arbitrators selected by the Superior Court under Paragraph 5.7.1 shall have at least 10 years experience in workers' compensation claims administration. This provision may be waived by agreement of the County and the Contractor. The CAO is authorized to agree to a waiver on behalf of the County.

5.8 Quality Control Plan

5.8.1 The Contractor shall establish and maintain a Quality Control Plan to assure that the requirements of the contract are met. The plan shall include, but not be limited to, the following:

5.8.1.1 The methods for assuring and verifying that contractor staff are qualified and properly trained to perform the services required under the agreement.

5.8.1.2 A system for monitoring compliance with all the services listed in Exhibit A – Statement of Work. It must specify the activities to be inspected/audited on either a scheduled or unscheduled basis, how often inspections/audits will be accomplished, and

the title of the individual(s) who will perform the inspection/audits.

- 5.8.1.3 The methods for identifying, correcting and preventing deficiencies in the quality of service performed before the level of performance becomes unacceptable.

5.8.2 Adjustments Pursuant to Performance Guarantees:

The County may, at its sole discretion, conduct quarterly performance audits. The Contractor's audit score shall result in payment adjustments according to the following performance guarantees:

PERFORMANCE GUARANTEES FOR YEARS 1 - 5 SCORE

- Met all reporting requirements over the course of the audited quarter, including data file transfer. 5
- 99.5% of the time, no payment for duplicate billings and no charge for review of duplicate billings. 5
- 35% of savings on gross billings after bill review. 10
- Contractor will reduce average quarterly medical cost per claim by 10%. 20
 OR
 Contractor will reduce average quarterly medical cost per claim by 5%. 10
- Turnaround time will be less than or equal to 5 business days for 84% of all bills received. 5
- For in-patient hospital services not subject to the California Medical Fee Schedule and PPO discounts, the amounts paid for services must average at least 30% below the amounts charged. 5

TOTAL SCORE

50

BONUS or REDUCTION

Collect additional 5% of revenue generated by this contract for the audited quarter.

40 – 45	Collect additional 2.5% of revenue generated by this contract for the audited quarter.
25 - 35	Revenue neutral.
15 - 20	Pay back service fees of 2.5% of revenue generated by this contract for the audited quarter.
10 or less	Pay back service fees of 5% of revenue generated by this contract for the audited quarter.

5.9 Adjustment Pursuant to Audit and Record Retention Requirement

The Contractor shall maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. The Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Contract. The Contractor agrees that the County, or its authorized representatives, shall have access to facilities and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or records relating to this Contract. Such material including books, records, documents, case files and all pertinent cost accounting, financial records and proprietary data relating to the performance of this Contract shall be kept and maintained by the Contractor and shall be made available to the County during the term of this Contract and for a period of five (5) years thereafter unless the County's written permission is given to dispose of any such material prior to such time. All such material shall be maintained by the Contractor at a location in Los Angeles County or within a 75 mile radius as described in Section 1.4.4 of the Minimum Mandatory Requirements of this proposal, provided that if any such material is located outside Los Angeles County or outside the 75 mile radius described in Section 1.4.4 of the Minimum Mandatory Requirements of this proposal, then, at the County's option, the Contractor shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

5.9.1 In the event that an audit of the Contractor is conducted specifically regarding this Contract by any Federal or State auditor, or by any auditor or accountant employed by the

Contractor or otherwise, then the Contractor shall file a copy of such audit report with the County's Auditor-Controller within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. The County shall make a reasonable effort to maintain the confidentiality of such audit report(s).

5.9.2 Failure on the part of the Contractor to comply with any of the provisions of this Sub-paragraph 5.9 shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract.

5.9.3 If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, representatives of the County may conduct an audit of the Contractor regarding the work performed under this Contract, and if such audit finds that the County's dollar liability for any such work is less than payments made by the County to the Contractor, then the difference shall be either: a) repaid by the Contractor to the County by cash payment upon demand or b) credited against any future payments to the Contractor whether under this Contract or otherwise. If such audit finds that the County's dollar liability for such work is more than the payments made by the County to the Contractor, then the difference shall be paid to the Contractor by the County by cash payment, provided that in no event shall the County's maximum obligation for this Contract exceed the funds appropriated by the County for the purpose of this Contract.

5.10 Adjustment for Failure to Meet Performance Requirements

The Contractor's fees will be reduced by the amounts specified in Technical Exhibit 2 for Contractor's failure to comply with the specific terms of this Contract identified in Technical Exhibit 2.

6.0 ADMINISTRATION OF CONTRACT - COUNTY

COUNTY ADMINISTRATION

A listing of all County Administration referenced in the following Sub-paragraphs are designated in Exhibit M. The County shall notify the Contractor in writing of any change in the names or addresses shown.

6.1 County's Contract Administrator (CCA)

The CCA is the Assistant Division Chief of Occupational Health and Disability Management, or his/her duly authorized designee.

Chief Administrative Office
Constance S. Sullivan, Assistant Division Chief
Risk Management Branch
3333 Wilshire Boulevard, Suite 1000
Los Angeles, CA 90010
(213) 738-2233
Fax: (213) 637-0822
csullivan@cao.co.la.ca.us

Responsibilities of the CCA include:

- 6.1.1 The CCA shall ensure that the objectives of this Contract are met.
- 6.1.2 The CCA is authorized to initiate and enter into change notices which do not change the terms and conditions of this Contract in accordance with 8.3, Change Notices and Amendments.
- 6.1.3 The CCA or designee shall provide direction to Contractor in the areas relating to County policy and procedural requirements, information requirements, and on other matters.
- 6.1.4 The County shall inform the Contractor of the name, address and telephone number of the County Contract Administrator in writing at the time the contract is awarded.
- 6.1.5 The CCA or designee shall be responsible for and have full authority to oversee and monitor the Contractor's performance in the daily operation of the contract.
- 6.1.6 In the event of a dispute regarding substantive questions, the CCA's interpretation shall prevail including without limitation, interpretation of Federal, State and local laws, civil procedures, legal process, court rules and administrative regulations.

6.2 County's Contract Manager

The responsibilities of the County's Contract Manager include:

- meeting with Contractor's Project Manager on a regular basis; and
- inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of Contractor.

The County's Contract Manager is not authorized to make any changes in any of the terms and conditions of this Contract and is not authorized to further obligate County in any respect whatsoever.

6.3 County's Contract Monitor

The County's Contract Monitor is responsible for overseeing the day-to-day administration of this Contract. The County Contract Monitor reports to the County's Contract Manager.

The County's Contract Monitor is not authorized to make any changes in any of the terms and conditions of this Contract and is not authorized to further obligate County in any respect whatsoever.

7.0 ADMINISTRATION OF CONTRACT – CONTRACTOR

7.1 Contractor's Project Manager

The Contractor's Project Manager is the designated officer or employee responsible for all actions needed to administer the Contract.

The Contractor's Project Manager must have three (3) years of experience in supervising or managing California workers' compensation medical and disability management and cost containment services.

Responsibilities of the Contractor Project Manager include:

7.1.1 Contractor's Project Manager is designated in Exhibit N. The Contractor shall notify the County in writing of any change in the name or address of the Contractor's Project Manager.

7.1.2 Contractor's Project Manager shall be responsible for Contractor's and any subcontractor's day-to-day activities as related to this Contract and shall coordinate with County's Contract Manager and Contract Monitor on a regular basis.

7.1.3 The Contractor shall provide upon award of contract, the name, address and telephone number of the Project Manager or designee who shall be responsible for administering the contract.

7.1.4 The Project Manager or designee approved by the County shall be responsible for the daily administration and supervision of program operations and have full authority to act for the Contractor on all contract matters relating to daily operations.

7.2 Approval of Contractor's Staff

CCA has the absolute right to approve or disapprove of Contractor's Project Manager and all Contractor staff dedicated to performing work under this Contract.

7.3 Confidentiality

The Contractor shall maintain the confidentiality of all its records, including but not limited to billing, County records, case records and patients records, under this Contract in accordance with all applicable federal, State or local laws, ordinances, regulations and directives relating to confidentiality.

The Contractor shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Contract. The Contractor shall cause each employee performing services covered by this Contract to sign and adhere to the "Contractor Employee Acknowledgment and Confidentiality Agreement", Exhibit L1.

The Contractor shall cause each non-employee performing services covered by this Contract to sign and adhere to the "Contractor Non-Employee Acknowledgment and Confidentiality Agreement", Exhibit L2.

8.0 TERMS AND CONDITIONS

8.1 ASSIGNMENT AND DELEGATION

8.1.1 The assumption, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, or the assumption, assignment, or takeover of any of the Contractor's rights by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration, for any reason whatsoever, shall occur only with the County's prior written approval.

8.1.2 Any unapproved assumption, assignment, delegation, or takeover of any of the Contractor's duties or rights shall be null and void. Any attempted assumption, assignment, delegation, or takeover of any of the Contractor's duties or rights may be deemed a material breach of this Contract.

8.1.3 Any payment by County to any approved delegate or assignee on any claim under this Contract shall be deductible,

at CCA's sole discretion, against the claims which the Contractor may have against the County.

8.2 SUBCONTRACTING

- 8.2.1 The requirements of this Contract may not be subcontracted by the Contractor without the advance written approval of the CCA. Any attempt by the Contractor to subcontract without the prior consent of the County may be deemed a material breach of this Contract.
- 8.2.2 If the Contractor desires to subcontract, the Contractor shall provide the following information promptly at the County's request:
- A description of the work to be performed by the subcontractor;
 - A draft copy of the proposed subcontract; and
 - Other pertinent information and/or certifications requested by the County.
- 8.2.3 The Contractor shall defend, indemnify and hold the County harmless with respect to the activities of each and every subcontractor in the same manner and to the same degree as if such subcontractor(s) were Contractor employees.
- 8.2.4 The Contractor shall remain fully responsible for all performances required of it under this Contract, including those that the Contractor has determined to subcontract, notwithstanding the County's approval of the Contractor's proposed subcontract.
- 8.2.5 The County's consent to subcontract shall not waive the County's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Contract. The Contractor is responsible to notify its subcontractors of this County right.
- 8.2.6 The CCA is authorized to act for and on behalf of the County with respect to approval of any subcontract and subcontractor employees.
- 8.2.7 The Contractor shall be solely liable and responsible for all payments, other compensation, or unemployment and disability benefits to all subcontractors and their officers, employees, agents, and successors in interest arising through services performed hereunder, notwithstanding the County's consent to subcontract.
- 8.2.8 The Contractor shall obtain certificates of insurance prior to performance of any work, which establish that the subcontractor maintains all the programs of insurance

required by the County from each approved subcontractor. The Contractor shall ensure delivery of all such documents to Ann Rain, Chief Administrative Office, Occupational Health and Disability Management, 3333 Wilshire Boulevard, Suite 1000, Los Angeles, CA 90010 before any subcontractor employee may perform any work hereunder.

8.3 CHANGE NOTICES AND AMENDMENTS

8.3.1 County reserves the right to initiate Change Notices that do not affect the scope, term, contract sum or payments. All such changes shall be accomplished with an executed Change Notice signed by the Contractor and by the CCA. The CCA is authorized to enter into and execute such change notices.

8.3.2 Upon mutual agreement between CCA and Contractor, the Contractor shall assume County workload from other medical and disability management service providers at the same terms as this Contract. The CCA is authorized to enter into and execute such amendment.

8.3.3 For any revision to this Contract that affects the scope of work, period of performance, payments, or any term or condition of this Contract, except for those exceptions specifically provided for in this Contract, a negotiated amendment to this Contract shall be executed by the County Board of Supervisors and the Contractor.

8.3.4 Facsimile Representations

The County and the Contractor hereby agree to regard facsimile representations of original signatures of authorized offices of each party, when appearing in appropriate places on the Change Notices and Amendments prepared pursuant to Sub-paragraph 8.3 and 4.0 and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Change Notices to this Contract, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

8.4 COMPLIANCE WITH APPLICABLE LAW

8.4.1 The Contractor shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, and directives, and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference.

8.4.2 The Contractor shall defend, indemnify and hold harmless the County from and against any and all liability, damages,

costs, and expenses, including, but not limited to, defense costs and attorneys' fees, arising from or related to any violation on the part of the Contractor or its employees, agents, or subcontractors of any such laws, rules, regulations, ordinances, or directives.

8.5 COMPLIANCE WITH CIVIL RIGHTS LAWS

The Contractor hereby assures that it will comply with Subchapter VII of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract. The Contractor shall comply with Exhibit I - Contractor's EEO Certification.

8.6 CONFLICT OF INTEREST

8.6.1 No County employee whose position with the County enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder shall in any way participate in the County's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the County's approval or ongoing evaluation of such work.

8.6.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to the County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances.

8.7 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST

Should the Contractor require additional or replacement personnel after the effective date of this Contract to perform the services set forth herein, the Contractor shall give first consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Contract.

8.8 CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS

Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Contractor.

In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

8.9 CONTRACTOR'S RESPONSIBILITY AND DEBARMENT

8.9.1 Responsible Contractor

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the Contract. It is the County's policy to conduct business only with responsible Contractors.

8.9.2 Chapter 2.202 of the County Code

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other Contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Contract, debar the Contractor from bidding on County Contracts for a specified period of time not to exceed three (3) years, and terminate any or all existing Contracts the Contractor may have with the County.

8.9.3 Non-responsible Contractor

The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1) violated any term of a Contract with the County, (2) committed any act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a Contract with the County or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

8.9.4 Contractor Hearing Board

If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence that is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. If the Contractor fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, the Contractor may be deemed to have waived all rights of appeal.

A record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

8.9.5 Subcontractors of Contractor

These terms shall also apply to Subcontractors of County Contractors.

8.10 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

The Contractor acknowledges that the County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at the Contractor's place of business. The County's Child Support Services Department will supply the Contractor with the poster to be used.

8.11 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

8.11.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through Purchase Order or Contract are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

8.11.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Contract to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and shall during the term of this Contract maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

8.12 COUNTY'S QUALITY ASSURANCE PLAN

The County or its agent will evaluate the Contractor's performance under this Contract on not less than an annual basis. Such evaluation will include assessing the Contractor's compliance with all Contract terms and conditions and performance standards. Contractor deficiencies which the County determines are severe or continuing and that may place performance of the Contract in jeopardy if not corrected will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the

County may terminate this Contract or impose other penalties as specified in this Contract.

8.13 EMPLOYMENT ELIGIBILITY VERIFICATION

The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by law. The Contractor shall indemnify, defend, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

8.14 FAIR LABOR STANDARDS

The Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless the County and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the Contractor's employees for which the County may be found jointly or solely liable.

8.15 GOVERNING LAW, JURISDICTION, AND VENUE

This Contract shall be governed by, and construed in accordance with, the laws of the State of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Contract and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

8.16 INDEPENDENT CONTRACTOR STATUS

8.16.1 This Contract is by and between the County and the Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee,

partnership, joint venture, or association, as between the County and the Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

8.16.2 The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. The County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.

8.16.3 The Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Contract.

8.17 INDEMNIFICATION

The Contractor, and any and all subcontractors, shall indemnify, defend and hold harmless the County, its special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with the Contractor's, or any and all subcontractors', acts and/or omissions, respectively, arising from and/or relating to this Contract.

8.18 GENERAL INSURANCE REQUIREMENTS

Without limiting the Contractor's indemnification of the County, its special Districts, elected and appointed officers, employees, and agents and during the term of this Contract, the Contractor shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Contract. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by the County. Such coverage shall be provided and maintained at the Contractor's own expense.

8.18.1 Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to the County shall be delivered to Ann Rain, Chief Administrative Office, Occupational Health and Disability Management, 3333 Wilshire Boulevard,

Suite 1000, Los Angeles, CA 90010 prior to commencing services under this Contract. Such certificates or other evidence shall:

- Specifically identify this Contract;
- Clearly evidence all coverages required in this Contract;
- Contain the express condition that the County is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance;
- Include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, its officials, officers and employees as insureds for all activities arising from this Contract; and
- Identify any deductibles or self-insured retentions for the County's approval. The County retains the right to require the Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to the County, or, require the Contractor to provide a bond or Letter of Credit guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

8.18.2 Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the County with an A.M. Best rating of not less than A:VII unless otherwise approved by the County.

8.18.3 Failure to Maintain Coverage: Failure by the Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to the County, shall constitute a material breach of the Contract upon which the County may immediately terminate or suspend this Contract. The County, at its sole option, may obtain damages from the Contractor resulting from said breach. Alternatively, the County may purchase such required insurance coverage, and without further notice to the Contractor, the County may deduct from sums due to the Contractor any premium costs advanced by the County for such insurance.

8.18.4 Notification of Incidents, Claims or Suits: Contractor

shall report to the County:

- Any accident or incident relating to services performed under this Contract which involves injury or property damage which may result in the filing of a claim or lawsuit against the Contractor and/or the County. Such report shall be made in writing within 24 hours of occurrence.
- Any third party claim or lawsuit filed against the Contractor arising from or related to services performed by the Contractor under this Contract.
- Any injury to a Contractor employee that occurs on County property. This report shall be submitted on a County "Non-employee Injury Report" to the County Contract Manager.
- Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies or securities entrusted to the Contractor under the terms of this Contract.

8.18.5 Compensation for County Costs: In the event that the Contractor fails to comply with any of the indemnification or insurance requirements of this Contract, and such failure to comply results in any costs to the County, the Contractor shall pay full compensation for all costs incurred by the County.

8.18.6 Insurance Coverage Requirements for Subcontractors: The Contractor shall ensure any and all subcontractors performing services under this Contract meet the insurance requirements of this Contract by either:

- The Contractor providing evidence of insurance covering the activities of subcontractors, or
- The Contractor providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. The County retains the right to obtain copies of evidence of subcontractor insurance coverage at any time.

8.19 INSURANCE COVERAGE REQUIREMENTS

8.19.1 General Liability insurance written on ISO policy form CG 00 01 or its equivalent with limits of not less than the following:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$2 million
Personal and Advertising Injury:	\$1 million

Each Occurrence:

\$1 million

The additional insured endorsement shall be Form B20101185 or its equivalent as solely determined by the County Risk Management Branch.

8.19.2 Automobile Liability written on ISO policy form CA 00 01 or its equivalent with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

8.19.3 Workers' Compensation and Employers' Liability insurance providing workers' compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which the Contractor is responsible. If the Contractor's employees will be engaged in maritime employment, coverage shall provide workers compensation benefits as required by the U.S. Longshore and Harbor Workers' Compensation Act, Jones Act or any other federal law for which the Contractor is responsible.

In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

8.19.4 Professional Liability insurance covering liability arising from any error, omission, negligent or wrongful act of the Contractor, its officers or employees with limits of not less than \$1 million per occurrence and \$2 million aggregate. The coverage also shall provide an extended two year reporting period commencing upon termination or cancellation of this Agreement.

8.19.5 Crime Coverage insurance with limits in an amount not less than indicated below covering against loss of money, securities, or other property referred to in this Agreement, and naming the County as loss payee.

Employee Dishonesty:	\$1,000,000
Forgery or Alteration:	\$1,000,000
Theft, Disappearance and Destruction:	\$1,000,000
Computer Fraud:	\$1,000,000
Burglary and Robbery	\$1,000,000

8.20 Performance Security Requirements: Such surety may be provided by one of the following forms and conditioned upon faithful performance and satisfactory completion of services by Contractor.

8.20.1 Performance Bond: A faithful performance bond in the sum of not less than \$200,000 payable to the County of Los Angeles and executed by a corporate surety licensed to transact business in the State of California, or,

Certificate of Deposit (CD) or Letter of Credit (LOC): A CD or an irrevocable LOC payable to the County upon demand in an amount not less than \$200,000. Such CD or LOC shall comply with minimum criteria and standards established by the County and be maintained throughout the term of the Agreement.

8.21 LICENSES, PERMITS, REGISTRATIONS AND CERTIFICATES

The Contractor shall obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations and certificates required by law, which are applicable to the performance of this Agreement, and shall further ensure that all of its officers, employees and agents who perform services hereunder obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations and certificates required by law which are applicable to their performance of services hereunder.

8.22 MOST FAVORED PUBLIC ENTITY

If the Contractor's prices decline, or should the Contractor at any time during the term of this Contract provide the same goods or services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in this Contract, then such lower prices shall be immediately extended to the County.

8.23 NONDISCRIMINATION IN EMPLOYMENT

8.23.1 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

8.23.2 The Contractor shall certify to, and comply with, the provisions of Exhibit I - Contractor's EEO Certification.

- 8.23.3 The Contractor shall take action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- 8.23.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, marital status, or political affiliation.
- 8.23.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.
- 8.23.6 The Contractor shall allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this Sub-paragraph 8.23 when so requested by the County.
- 8.23.7 If the County finds that any provisions of this Sub-paragraph 8.23 have been violated, such violation shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract. While the County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Contract.
- 8.23.8 The parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Contract,

the County shall, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

8.24 NONEXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with Contractor. This Contract shall not restrict County from acquiring similar, equal or like goods and/or services from other entities or sources.

8.25 NOTICE OF DELAYS

Except as otherwise provided under this Contract, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within one (1) day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.26 NOTICE OF DISPUTES

The Contractor shall bring to the attention of the County Contract Manager and/or CCA any dispute between the County and the Contractor regarding the performance of services as stated in this Contract. If the County Contract Manager or CCA is not able to resolve the dispute, the CAO, or designee shall resolve it.

8.27 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

The Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

8.28 NOTICES

All notices or demands required or permitted to be given or made under this Contract shall be in writing and shall be hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as identified in Exhibits M, County's Administration and N, Contractor's Administration. Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party. The CAO shall have the authority to issue all notices or demands required or permitted by the County under this Contract.

8.29 PUBLIC RECORDS ACT

8.29.1 Any documents submitted by Contractor; all information obtained in connection with the County's right to audit and

inspect Contractor's documents, books, and accounting records pursuant to Sub-paragraph 5.9 – Adjustment Pursuant to Audit and Record Retention Requirement; of this Contract; as well as those documents which were required to be submitted in response to the Request for Proposals (RFP) used in the solicitation process for this Contract, become the exclusive property of the County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order to court of competent jurisdiction.

- 8.29.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a bid marked "trade secret", "confidential", or "proprietary", the Contractor agrees to defend and indemnify the County from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

8.30 PUBLICITY

- 8.30.1 The Contractor shall not disclose any details in connection with this Contract to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the County shall not inhibit the Contractor from publishing its role under this Contract within the following conditions:

- The Contractor shall develop all publicity material in a professional manner; or
- During the term of this Contract, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of the County without the prior written consent of the CCA.

- 8.30.2 The Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Contract with the County of

Los Angeles, provided that the requirements of this Sub-paragraph 8.30 shall apply.

8.31 NOTICE WHEN 75% CONTRACT AUTHORIZATION INCURRED OR WITHIN SIX MONTHS FROM EXPIRATION OF TERM

8.31.1 Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred seventy-five percent (75%) of the total contract authorization under this Contract. Upon occurrence of this event, Contractor shall send written notification to the CCA at the address herein provided in Exhibit M.

8.31.2 Contractor shall notify CCA when this Contract is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, Contractor shall send written notification to CCA at the address herein provided in Exhibit M.

8.32 RECYCLED PAPER

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on this Contract.

8.33 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN CHILD SUPPORT COMPLIANCE

Failure of the Contractor to maintain compliance with the requirements set forth in Sub-paragraph 8.11 - Contractor's Warranty of Adherence to County's Child Support Compliance Program, shall constitute a default by the Contractor under this Contract. Without limiting the rights and remedies available to the County under any other provision of this Contract, failure to cure such default within 90 days of notice by the Los Angeles County Child Support Services Department shall be grounds upon which the Auditor-Controller or Board of Supervisors may terminate this Contract pursuant to Sub-paragraph 8.35 - Termination for Default.

8.34 TERMINATION FOR CONVENIENCE

8.34.1 This Contract may be terminated, in whole or in part, from time to time, when such action is deemed solely by the County to be in its best interest. Termination of work hereunder shall be effected by delivery to the Contractor of a notice of termination specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than 90 (ninety) calendar days after the notice is sent. Said notice of termination shall be given by the CCA.

- 8.34.2 After receipt of a notice of termination and except as otherwise directed by the County, the Contractor shall:
- Stop work under this Contract on the date and to the extent specified in such notice, and
 - Complete performance of such part of the work as shall not have been terminated by such notice.
- 8.34.3 Submit to the County, in the form and with the certifications as may be prescribed by the County, a termination claim and invoice. Such claim and invoice shall be submitted promptly, but not later than three (3) months from the effective date of termination. Upon failure of the Contractor to submit a termination claim and invoice within the time allowed, the County may determine on the basis of information available to the County, the amount, if any, due to the Contractor in respect to the termination and such determination shall be final. After such determination is made, the County shall pay the Contractor the amount so determined.
- 8.34.4 Subject to the provisions of the paragraph immediately above, the County and the Contractor shall negotiate an equitable amount to be paid to the Contractor by reason of the total or partial termination of work pursuant to this clause. Said amount may include a reasonable allowance for profit on work done but shall not include an allowance on work terminated. The County shall pay the agreed amount; subject to other limitations and provided that such amount shall not exceed the total funding obligated under this Agreement as reduced by the amount of payments otherwise made and as further reduced by the contract price of work not terminated.
- 8.34.5 For a period of five (5) years after final settlement under this Contract, the Contractor shall make available to the County, at all reasonable times, all its books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Contract with respect to the termination of work hereunder. All such material shall be maintained by the Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at the County's option, the Contractor shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

8.35 TERMINATION FOR DEFAULT

8.35.1 The County may, by written notice to the Contractor, terminate the whole or any part of this Contract, if, in the judgment of the CCA:

- Contractor has materially breached this Contract;
- Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Contract; or
- Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either case, fails to demonstrate convincing progress toward a cure within ten (10) working days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure.

8.35.2 In the event that the County terminates this Contract in whole or in part as provided in Sub-paragraph 8.35.1, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar goods and services. The Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this sub-paragraph.

8.35.3 Except with respect to defaults of any subcontractor, the Contractor shall not be liable for any such excess costs of the type identified in Sub-paragraph 8.35.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the County in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any such excess costs for

failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this Sub-paragraph 8.35.3, the terms "subcontractor" and "subcontractors" mean subcontractor(s) at any tier.

- 8.35.4 If, after the County has given notice of termination under the provisions of this Sub-paragraph 8.35, it is determined by the County that the Contractor was not in default under the provisions of this Sub-paragraph 8.35, or that the default was excusable under the provisions of Sub-paragraph 8.35.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Sub-paragraph 8.34 - Termination for Convenience.
- 8.35.5 The rights and remedies of the County provided in this Sub-paragraph 8.35 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.36 TERMINATION FOR IMPROPER CONSIDERATION

- 8.36.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Contract or securing favorable treatment with respect to the award, amendment, or extension of this Contract or the making of any determinations with respect to the Contractor's performance pursuant to this Contract. In the event of such termination, the County shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.
- 8.36.2 The Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861.
- 8.36.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

8.37 TERMINATION FOR INSOLVENCY

8.37.1 The County may terminate this Contract forthwith in the event of the occurrence of any of the following:

- Insolvency of the Contractor. The Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;
- The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
- The appointment of a Receiver or Trustee for the Contractor; or
- The execution by the Contractor of a general assignment for the benefit of creditors.

8.37.2 The rights and remedies of the County provided in this Subparagraph 8.37 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.38 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE

The Contractor, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by the Contractor, shall fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Contract, upon which the County may in its sole discretion, immediately terminate or suspend this Contract.

8.39 TERMINATION FOR NON-APPROPRIATION OF FUNDS

Notwithstanding any other provision of this Contract, the County shall not be obligated for the Contractor's performance hereunder or by any provision of this Contract during any of the County's future fiscal years unless and until the County's Board of Supervisors appropriates funds for this Contract in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract shall terminate as of June 30 of the last fiscal year for which funds were

appropriated. The County shall notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.40 BUDGET REDUCTIONS

In the event of significant shortfalls in the County's budget for any fiscal year, the County reserves the right to renegotiate its payment obligation under this Contract during such period of budget shortfall or to terminate this contract. The County shall give the Contractor 30 calendar day written notice of its intention to exercise its right to renegotiate its payment obligation or terminate this Contract pursuant to this paragraph.

8.41 RECORDS AND REPORTS

Upon expiration of this Contract, or in the event of cancellation, on the demand of the CCA, all documents, reports, records, case files, correspondence and work product relating to Contractor's operations under this Contract shall be returned to the CCA or to such other location in the County as the CCA may direct. It is understood that all of the materials described above are the property of the County and not of the Contractor herein.

8.42 VALIDITY

If any provision of this Contract or the application thereof to any person or circumstance is held invalid, the remainder of this Contract and the application of such provision to other persons or circumstances shall not be affected thereby.

8.43 WAIVER

No waiver by the County of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this Sub-paragraph 8.43 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.44 WARRANTY AGAINST CONTINGENT FEES

8.44.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

8.44.2 For breach of this warranty, the County shall have the right to terminate this Contract and, at its sole discretion, deduct from the Contract price or consideration, or otherwise recover, the

full amount of such commission, percentage, brokerage, or contingent fee.

8.45 COMPLIANCE WITH JURY SERVICE PROGRAM

8.45.1 Jury Service Program

This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

8.45.2 Written Employee Jury Service Policy

8.45.2.1 Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.

8.45.2.2 For purposes of this Section, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full time" means 40 hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing

short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

8.45.2.3 If Contractor is not required to comply with the Jury Service Program when the Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that Contractor demonstrate to the County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.

8.45.2.4 Contractor's violation of this Section of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

8.46 NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT

Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Contract.

Should Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Contract shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Contract.

8.47 AUTHORIZATION WARRANTY

The Contractor represents and warrants that the person executing this Contract for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition, and obligation of this Contract and that all requirements of the Contractor have been fulfilled to provide such actual authority.

8.48 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit R of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

8.49 CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The County Department of Children and Family Services will supply the Contractor with the poster to be used.


8.50 INTERPRETATION

This Contract shall be governed by and construed in accordance with the law of the State of California. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Contract.

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IN WITNESS WHEREOF, Contractor has executed this Contract, or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has caused this Contract to be executed on its behalf by the Chair of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

CONTRACTOR

By 
Name Gordon Clemons
Title CEC

COUNTY OF LOS ANGELES

By _____
Chair, Board of Supervisors


ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

By _____

APPROVED AS TO FORM:

Lloyd W. Pellman
County Counsel

By 
Principal Deputy County Counsel

9/2/03
e/g/med and dis/Appendix A Contract5 – Final - CorVel

EXHIBIT A

STATEMENT OF WORK

WORKERS' COMPENSATION

MEDICAL AND DISABILITY MANAGEMENT

AND COST CONTAINMENT SERVICES

EXHIBIT A - STATEMENT OF WORK

WORKERS' COMPENSATION MEDICAL AND DISABILITY MANAGEMENT AND COST CONTAINMENT SERVICES

SECTION I – DEFINITIONS

1.0 DEFINITIONS

The following definitions apply to this Statement of Work describing the major responsibilities and duties of the County and the Contractor.

1.1 ADDENDUM

A document added to or supplanting portions of this Request For Proposal or a document added to or supplanting portions of the proposal submitted by the Contractor.

1.2 BOARD OF SUPERVISORS

The governing and legislative body of the County. It is composed of five elected officials.

1.3 CHIEF ADMINISTRATIVE OFFICER (CAO)

The Chief Administrative Officer of the County of Los Angeles.

1.4 CONTRACT

The written agreement covering the performance of the work and the furnishing of labor, materials and equipment in the performance of the work.

1.5 CONTRACT START DATE

The date that the Contractor begins work (the start of the basic terms of the contract).

1.6 COUNTY

The County is the governmental entity, the County of Los Angeles, its employees, officers, and officials.

1.7 COUNTY'S CONTRACT ADMINISTRATOR

The County's Contract Administrator (CCA) is the Assistant Division Chief, Risk Management Branch, or his/her duly authorized designee.

1.8 COUNTY COUNSEL

The governmental office of Los Angeles County providing legal counsel and related services to County officers and departments.

1.9 CONTRACTOR'S PROJECT MANAGER

The Contractor's Project Manager is the designated officer or employee responsible for all actions needed to administer the contract.

1.10 GENCOMP

The County's current workers' compensation computer system. This system includes on-line input of claims and litigation data including all payment and salary continuation authorizations. The County Auditor-Controller issues all warrants from computerized files generated by GENCOMP.

1.11 HOURS/DAYS OF WORK

The Contractor shall be required to provide all services Monday through Friday from 8:30 a.m. until 5:30 p.m. The Contractor is not required to provide services on County-recognized holidays. The County's Contract Monitor will provide a list of the County holidays to the Contractor at the time the Contract is approved, and annually, at the beginning of the calendar year.

1.12 INDEMNITY OR DISABILITY CASE

A claim involving one or more of the following: temporary disability due, ratable permanent disability anticipated, death of the claimant, application for adjudication of claim filed, medical costs over \$3,500, benefits due more than six months after opening of case, and designation by the Claims Examiner.

1.13 MEDICAL-ONLY CASE

A non-litigated claim involving only medical payments which are not expected to exceed three thousand five hundred dollars (\$3,500). Indemnity payments are not anticipated.

1.14 QUALITY CONTROL PLAN

This term shall mean all measures taken by the Contractor to assure that the quality of an end product or service will meet the contract requirements regarding timeliness, accuracy, appearance, completeness and consistency.

EXHIBIT A - STATEMENT OF WORK

WORKERS' COMPENSATION MEDICAL AND DISABILITY MANAGEMENT AND COST CONTAINMENT SERVICES

SECTION II – SCOPE OF WORK

1.0 SCOPE OF WORK

The Contractor shall take all necessary steps to reduce medical and disability costs, increase productivity and enhance the quality and the level of the County's medical and disability management program.

The Contractor shall provide workers' compensation medical and disability management services for all existing claims as well as all new claims reported during the contract period for designated County TPA's including, but not limited to:

1.1 Program Development

- 1.1.1 Contractor must have access to legal, technical and other staff who routinely reviews the medical and disability management process to ensure compliance with State and Federal laws and regulations.
- 1.1.2 Periodically review procedures and practices with County personnel to ensure that the County's medical and disability management program is in compliance with State and Federal requirements as well as with sound workers' compensation claims administration practices.
- 1.1.3 Provide assistance in changing County policy and procedures to implement legislative changes or State rules and regulations which impact the County's medical and disability management program.

1.2 24-hour Telephonic Reporting of Injuries (all claims)

Provide a 24 hour, 7 days per week toll free telephone number for reporting of injuries by County departments. This service must include the preparation of the County's department-specific DWC 5020 and the electronic transmitting of these data, within 24 hours of receipt, to the appropriate third party administrator and copies of the form to any designated County personnel. The County will provide to the Contractor, on a regular basis, employee data that the Contractor must utilize to populate the data screens for completion of 5020s at no cost to the County.

Performance standard: 100% of 5020s will be transmitted within 24 hours of receipt. Performance Measure: On a monthly basis Contractor will provide a log of all reports (5020s) taken, including date and time taken, and date and time transmitted to the TPA's and designated department personnel.

1.3 Medical Case Management

Provide medical case managers to maintain contact with employee, doctor, adjuster and employer to control medical utilization, obtain enhanced injured employee compliance with optimal treatment protocols and expedite return to work. The type of medical case management whether telephonic or on-site will be determined by the Contractor, with adjuster concurrence, at the time of referral. Provide utilization review (pre-cert) for all employees in medical case management. Case managers are required to be Registered Nurses with one year's experience in workers' compensation case management. A reasonable percentage of Contractor's case managers must be bilingual.

Actively coordinate health care services by providing case direction and promoting early resolution to individuals. The goal is to return the employee to work in the employee's own job, a modified job, or the highest level of functioning as soon as possible. A nurse or physician must coordinate and monitor the care plan, work with the attending physician, Department Return to Work Coordinator, Vocational Rehabilitation Coordinator, claims examiner, the patient and/or the patient's family and other health care team members to ensure that medical expenditures are necessary and appropriate and that quality care is provided to the patient. Also, coordinate with the County's Short and Long Term Disability TPA to make use of the best resources from both programs in the case management process. Telephonic case management must comply with California workers' compensation utilization review regulations.

All cases will be referred to case management by the TPA adjusters after approval by a County QAE Monitor.

Performance Standard: For all cases assigned provide initial report describing activities, contact and plan of action including estimated savings within seven (7) working days of assignment. Performance Measure: Listing of all cases assigned that month and copy of initial report.

All case managers (and utilization review personnel) must have the ability, via contractor-provided hardware, to electronically interface in real time and to enter case notes into the County's workers' compensation computer system.

The medical case manager shall submit an initial case assessment to the TPA within 48 hours of the initial referral, and to also submit written status report to the TPA on each open claim at 30-day intervals.

Cases for which the Contractor has accrued 20 hours of billable time will be referred to the County for review. Contractor shall not accrue additional time without authorization from the County.

Performance Standard: For all cases open greater than 20 hours provide a breakdown of actual savings and estimated savings and estimated cost of services to closure. Performance Measure: Report of all cases over 20 billable hours.

The medical case manager should be alert to opportunities for improved safety at the job sites, as well as identifying potential third party liability for an occupational injury. The contractor shall provide a quarterly report to the County identifying the specific safety issues identified and indicating those cases having third party involvement.

Case managers may also be assigned to County auto or general liability cases by the risk management liability TPA at the same rate of pay contracted herein.

The on-site medical case manager will meet with the patient and, as necessary with providers, claims administrators and employer to determine the best medical direction for achieving optimal case resolution. On-site case management must comply with California workers' compensation utilization review regulations. The on-site case manager shall submit written case management status activity reports at 30-day intervals or more frequently if the case warrants. Reports must include description of all nurse case manager activities during the reporting period.

All on-site medical case managers shall have, at a minimum, a BSN and three years experience in medical case management of workers' compensation cases. A significant percentage of Contractor's case managers should be bilingual.

1.4 Medical Bill Review (all claims)

Review medical bills for compliance with the California Official Medical Fee Schedule, reasonableness and PPO discounts. Identify and correct fee schedule excesses, duplicate charges, billing infractions, and ability to unbundled service codes as needed to achieve savings. Bill review must be integrated with the County's bill payment system (see 1.16.1.1 below). Contractor will process all billings within five (5) business days of receipt

and the County will not be charged for identification of duplicate billings. Contractor must be able to provide on-site bill review personnel at the TPA's if deemed advantageous by County and TPA's at Contractor's own expense. Such Contractor personnel must be online with Contractor's bill review system.

Contractor shall prepare and send, at Contractor's expense, an explanation of review for each bill reviewed to the medical provider and to the County TPA. The explanation of review shall include the notices and reasoning required to be provided by the employer or TPA to the medical provider if the bill is contested.

Contractor shall identify providers with an above average number of billing errors and address them with the provider(s) to prevent future errors. Contractor will provide a quarterly report identifying these providers.

Contractor is to load all County payment history data available from prior contractor regardless of amount of data or payment date at no cost to County.

1.5 Medical/Legal Bill Review

Review all Medical/Legal bills in accordance with DWC guidelines, for compliance with the California Medical/Legal Fee Schedule. Read medical-legal reports to evaluate the correct reimbursement levels. Identify and correct fee schedule excesses, duplicate charges, and billing infractions.

Contractor shall prepare and send, at Contractor's expense, an explanation of review for each bill reviewed to the medical provider and to the County TPA. The explanation of review shall include the notices and reasoning required to be provided by the employer or TPA to the medical provider if the bill is contested.

Contractor shall identify providers with an above average number of billing errors and address them with the provider(s) to prevent future errors.

1.6 Pharmacy Bill Review

Review all pharmacy bills for reasonableness pursuant to the California Official Medical Fee Schedule. Identify and correct fee schedule excesses, duplicate charges, and billing infractions. The Contractor must have a prescription management approach, with emphasis on management of long-term lost time cases.

Contractor shall prepare and send, at Contractor's expense, an explanation of review for each bill reviewed to the medical provider and to the County TPA. The explanation of review shall include the notices and reasoning required to be provided by the employer or TPA to the medical provider if the bill is contested.

Contractor shall identify pharmacies with an above average number of billing errors and address them with the pharmacies to prevent future errors. Contractor will provide above information to County in a quarterly report.

1.7 Vocational Rehabilitation Fee Review

Review all vocational rehabilitation bills for reasonableness pursuant to the California Official Vocational Rehabilitation Fee schedule. Identify and correct fee schedule excesses, duplicate charges, and billing infractions. Track multiple billings for the same claim to assure the overall cap is not exceeded. The County will not be charged for identification of duplicate billings.

Bill Review Performance Standard: Contractor to process all billings within 10 business days. Performance measure: Monthly billing time lag report tracking length of time bills are processed.

1.8 Hospital PPO

Provide a preferred provider network of hospitals that agree to provide quality medical services at substantial savings from the California Official Medical Fee Schedule and to abide by the PPO's utilization review guidelines. Where PPO is circumvented, enter into negotiation to secure the best possible price for the County (see Subsection 1.12).

1.9 Physician PPO

Provide a contracted preferred provider network of physicians and industrial clinics who agree to work with the County's return-to-work programs, to refer only to other network providers, to communicate timely and to abide by the PPO's utilization review guidelines. Network physicians must agree to accept the California Official Medical Fee Schedule amounts or a lesser PPO-negotiated fee as payment in full. Contractor must be willing to make additions to network providers at the request of Los Angeles County, providing the credentialing processes can be met. The Contractor is to provide monthly, quarterly and annual savings reports that clearly demonstrate PPO penetration and utilization rates by specialty.

The Contractor shall provide a description of the Physician PPO certification process. Additional information shall be provided that specifies the frequency that a physician is reviewed and the percentage of panel physicians that are cited each year for non-compliance.

PPO Performance standards: Contractor will obtain a minimum savings after bill review of 35% on PPO billings. Performance measure: Monthly report of PPO Savings after bill review.

1.10 Utilization Review (UR) Hospital In-Patient Services - Prospective (pre-certification)

As part of the telephonic medical case management or on-site medical case management or as requested by the workers' compensation third party administrator (see Section 1.3) review all hospital admissions for the medical necessity of inpatient care. If possible, the review is performed prior to admission. Persons conducting UR must have an RN and one year experience in UR. Must comply with California workers' compensation utilization review regulations.

Performance Standard: At least 10% increase in PPO utilization through referral compared with prior year. Performance Measure: Monthly PPO penetration report.

1.11 UR Hospital In-Patient Services - Concurrent

As part of the telephonic medical case management or on-site medical case management or as requested by the workers' compensation third party administrator (see Section 1.3) review all hospital admissions for the medical necessity of inpatient care. Monitor all hospital in-patient services during the entire hospital stay. Professional reviewers should facilitate the patient's discharge as soon as medically advisable and ensure after-care needs are met. Persons conducting UR must have an RN and one year experience in UR. Must comply with California workers' compensation utilization review regulations.

1.12 UR Hospital In-Patient Services – Retrospective/Hospital Bill Audit

Retrospectively review out-of-network, hospital bills and negotiate reductions on all hospital charges. Audit hospital bill against the medical record for accuracy, appropriateness of care and PPO discounts. Persons conducting UR must have an RN and one year experience in UR. Must comply with California workers' compensation utilization review regulations.

1.13 UR Out-Patient Medical Services (pre-certification)

As part of the telephonic medical case management or on-site medical case management (see Subsection 1.3) or as requested by the workers' compensation third party administrator, monitor provider utilization by comparing the frequency and duration of care with diagnosis-specified treatment guidelines. Complete prospective review of surgical procedures, chiropractic procedures and physical therapy procedures (in excess of 12 visits or 4 weeks duration), for medical necessity. Persons conducting UR must have an RN and one year experience in UR. Must comply with California workers' compensation utilization review regulations.

UR Performance Standard: Savings of at least 40% will be achieved on all medical treatment not subject to fee schedule or PPO discount. Performance Measure: Quarterly report of all bills not subject to fee schedule or PPO discount and amount of savings.

1.14 Medical Panels

Provide a subset panel of PPO physicians experienced in workers' compensation and medical facilities to be utilized for the initial treatment of employees and a subset panel of PPO physicians to be used for treatment requiring long-term treatment or specialty care evaluation. Maintain up-to-date medical panels. Provide copies of initial treating panel to County departments. Provide copies of specialty panel to TPA's. Do not include any providers in your network that do not provide workers' compensation services.

Performance Standard: Medical Panel of workers' compensation physicians and facilities will be provided to the departments at reasonable intervals, not to exceed 6 months.

1.15 Coordinated Claim Handling

Coordinate short- and long-term disability claim handling and clinical procedures to avoid duplicate expense to the County and duplicate documentation efforts to the employee.

1.16 Medical Bill Payments

Contractor shall input medical bills for payment by the County's workers' compensation computer system.

1.16.1

Bill Processing

Contractor's responsibilities include but are not limited to the following:

- 1.16.1.1 The Contractor shall provide an electronically transmitted computer file of reviewed bills for input into the County's workers' compensation computer system subject to approval by the CCA (see Technical Exhibit 3 for data format).
- 1.16.1.2 Prepare and send, at Contractor's expense, explanation of review for each bill to medical provider and County TPA. The Contractor will identify duplicate charges at no cost to the County and partial bills will be reviewed in accordance with Appendix B, Section II, Scope of Work, Provision 1.5. The Contractor will ensure that all bills will be reviewed in five (5) business days of receipt.
- 1.16.1.3 Contractor shall prepare and send, at Contractor's expense, an explanation of review for each bill reviewed to the medical provider and to the County TPA. The explanation of review shall include the notices and reasoning required to be provided by the employer or TPA to the medical provider if the bill is contested.

1.16.2 Provider Inquiries

- 1.16.2.1 Respond to medical provider inquiries concerning bill reviews.
- 1.16.2.2 Respond to medical provider appeals on UR determinations.

1.16.3 Attorney/TPA Inquiries/Appearances

- 1.16.3.1 At Contractor's expense provide expert witness for WCAB conferences and hearings involving bill reviews/UR determinations, provide a copy of any explanation of review to the County's attorney prior to the conference or hearing. All expert witnesses shall be knowledgeable about fee review.

- 1.16.3.2 Respond to County's attorney and/or TPA inquiries within one day concerning any specific bill review. At contractor's expense, provide a copy of any explanation of review to County's attorney upon request.

1.17 Pharmacy PPO

Contractor will provide an extensive pharmacy PPO network that will dispense prescribed medications to County injured workers. The network will be capable of screening out medications that are not prescribed to cure or relieve the effects of the accepted injury as described in Labor Code Sections 4600.1 and 4600.2. PPO must provide discount below pharmacy fee schedule. PPO network pharmacies shall dispense authorized medication directly to injured employees in the most convenient and expedient method possible, minimizing any delays. This might entail the usage of pharmacy cards, online orders, etc.

Pharmacy bills from PPO network must be placed into bill review system as non-reviewable for inclusion into medical payments computer file transmitted to County's workers' compensation computer.

As directed, Contractor will provide pharmaceuticals by mail.

2.0 SUMMARY OF OTHER RESPONSIBILITIES

2.1 Report Requirements

Prior to contract implementation, the Contractor and the CCA shall prepare a list of required reports and records, with time deadlines. The County reserves the right to final review and approval of the format on all reports, to request additional reports and/or request changes to existing reports, during the term of this Agreement. The reports required to be provided by the Contractor shall include, but are not limited to:

2.1.1 Monthly

Invoice which clearly indicates that the PPO savings are the savings amounts realized after the California Medical Fee Schedule has been applied to the amounts charged for medical services.

Bill review status report

Turnaround time/lag report

Case Management reports that include billable hours per case (refer to Subsection 1.3)

Savings reports with PPO penetration

Report of medical provider additional recommendations
Provider utilization report
Monthly report of claims reported to toll free number with received and transmit dates and times.

2.1.2 Quarterly

Summary of savings report

- Stratified by service (pharmaceuticals, hospitalizations, inpatient, outpatient, physical therapy, chiropractic), diagnosis (major injury, etc.) and any other logical categorization
- Method of savings calculations clearly defined
- Usual and Customary-Negotiated Hospital Savings Report

Performance Standards Compliance Report

Submit Medical Case Management activity reports documenting case activities, costs, and savings.

Computerized file "dump" of complete fee/bill review data set containing individual dates of service, ICD codes, DRG codes, RVS codes, type of bills, type of service, etc.

Lost time report

Submit report of the number and percentage of cases utilizing the PPO.

Submit report of pharmacies and medical providers the have an excessive amount of errors.

Submit report of identified safety issues and third party responsibility.

Savings Report of all bills not subject to fee review or PPO discount

2.1.3 Annual Report

A comprehensive annual statistical summary and narrative report evaluating the County's medical and disability management program documenting savings and making recommendations for improvement.

2.1.4 Other

Provide ad hoc reports within two (2) weeks upon request at no cost to County.

2.2 Confidentiality

The Contractor shall maintain confidentiality of all information which may be acquired arising out of or connected with activities under any resultant contract.

3.0 QUALITY ASSURANCE

CONTRACTOR'S QUALITY CONTROL PLAN

3.1 The Contractor shall establish and maintain a Quality Control Plan to assure that the requirements of the contract are met. The plan shall include, but not be limited to, the following:

3.1.1 The methods for assuring and verifying that contractor staff are qualified and properly trained to perform the services required under the agreement.

3.1.2 A system for monitoring compliance with all the services listed in Exhibit A – Statement of Work. It must specify the activities to be inspected/audited on either a scheduled or unscheduled basis, how often inspections/audits will be accomplished, and the title of the individual(s) who will perform the inspection/audits.

3.1.3 The methods for identifying, correcting and preventing deficiencies in the quality of service performed before the level of performance becomes unacceptable.

COUNTY'S QUALITY ASSURANCE MONITORING PLAN

The monitoring of the Contractor's compliance to the requirements outlined in the Contract shall be performed by County staff.

3.2 Meetings

The Contractor's Project Manager shall meet with the CCA or his/her designee at regularly scheduled intervals or at other times, as determined by the CCA, during the term of the contract. The purpose of such meetings shall be dissemination of information from the County to the Contractor, and the discussion of the Contractor's performance.

3.3 Contract Discrepancy Report (Technical Exhibit 1)

Verbal notification of a Contract discrepancy will be made to the Contract Project Monitor as soon as possible whenever a Contract discrepancy is identified. The problem shall be resolved within a time period mutually agreed upon by the County and the Contractor. The County Contract Monitor will determine whether a formal Contract Discrepancy Report shall be issued. Upon receipt of this document, the Contractor is required to respond in writing to the County Contract Monitor within five (5) business days, acknowledging the reported discrepancies or presenting contrary evidence. A plan for correction of all deficiencies identified in the Contract

Discrepancy Report shall be submitted to the County Contract Monitor within ten (10) business days.

3.4 County Observations

In addition to departmental contracting staff, other County personnel may observe performance, activities, and review documents relevant to this Contract at any time during normal business hours. However, these personnel may not unreasonably interfere with the Contractor's performance.

4.0 RESPONSIBILITIES:

The County's and the Contractor's responsibilities are as follows:

COUNTY

4.1 Orientation to County's Workers' Compensation Claims Administration Program

County will provide orientation to the County's Workers' Compensation Claims Administration Program for key Contractor personnel prior to the start date of the contract. Contractor shall not be reimbursed for any expenses during orientation.

CONTRACTOR

4.2 Contractor Furnished Items

The Contractor shall furnish all personnel, transportation, supplies, equipment, materials and other items necessary to perform all services required by this Statement of Work. These include, but may not be limited to the following items and actions:

4.2.1 The Contractor shall maintain a service center in the County of Los Angeles or within 75 miles of the Los Angeles County Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, CA 90012. The Contractor shall be required to provide all services Monday through Friday from 8:30 a.m. until 5:30 p.m. The Contractor is not required to provide services on County-recognized holidays. The County's Contractor Monitor will provide a list of the County holidays to the Contractor at the time the Contract is approved, and annually, at the beginning of the calendar year.

4.2.2 The Contractor shall provide a daily courier service between the Contractor's office and such County and TPA offices as are designated in writing by the CCA. A schedule shall be established

for the pick-up and delivery of all medical bills, medical reports and related items. The Contractor shall pay the costs of such services out of its own resources.

- 4.2.3 Contractor within thirty (30) days of contract implementation will provide a "Medical And Disability Management Manual" describing policies and procedures for the County's medical and disability management program including responsibilities, reporting requirements, review of medical bills, sample letters, sample reports, etc. The manual will include Contractor's policies and procedures for investigating and responding to complaints.

The Contractor shall preliminarily investigate all complaints and notify the County's Contract Manager of the status of the investigation within five (5) business days of receiving the complaint.

When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.

Copies of all written responses shall be received by the County's Contract Manager within three (3) business days of mailing to the complainant.

- The County will review the Contractor's policy and procedure manual and provide the Contractor with approval of said plan or with requested changes.
- If the County requests changes in the Contractor's policy, the Contractor shall make such changes and resubmit the plan within five (5) business days.
- If, at any time, the Contractor wishes to change the Contractor's policy and procedure, the Contractor shall submit proposed changes to the County for approval before implementation.

- 4.2.4 Contractor shall provide computers and telecommunications equipment, including telephone, T1 or other data transmission lines for communication with the County's workers' compensation claims administration computer system. Contractor shall provide reasonable office accommodations, equipment and computer access for use by the County QAE Monitor onsite.

- 4.2.5 Contractor shall provide e-mail capability to staff providing services to the County pursuant to this Contract. This includes TPA's, County's attorneys, and County staff. Contractor will be able to send Explanation of Benefits by e-mail.

4.3 Training

Contractor shall conduct initial and periodic training for County and designated TPA staff to ensure all parties are fully aware of their responsibilities for administering the County's comprehensive medical and disability management program.

8/12/03

GMedical and Disability Management/Exhibit A - Contract

STATEMENT OF WORK

TECHNICAL EXHIBITS

**TECHNICAL EXHIBITS
TABLE OF CONTENTS**

<u>Technical Exhibits</u>	<u>Page</u>
1 CONTRACT DISCREPANCY REPORT	1
2 PERFORMANCE REQUIREMENTS SUMMARY CHART	2
3 DATA FORMAT	3

TECHNICAL EXHIBIT 1
CONTRACT DISCREPANCY REPORT

TO:

FROM:

DATES: **Prepared:** _____
 Returned by Contractor: _____
 Action Completed: _____

DISCREPANCY PROBLEMS: _____

Signature of CCA

Date

CONTRACTOR RESPONSE (Cause and Corrective Action): _____

Signature of CCA

Date

COUNTY EVALUATION OF CONTRACTOR RESPONSE: _____

Signature of CCA

Date

COUNTY ACTIONS: _____

CONTRACTOR NOTIFIED OF ACTION:

CCA'S Signature and Date _____

Contractor Representative's Signature and Date _____

TECHNICAL EXHIBIT 2
PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEES TO BE ASSESSED
Contract: Sub-paragraph 7.1.1 – Contractor Project Manager	Contractor Project Manager designated in writing	Submission	\$50 for late designation
Contract: Sub-paragraph 7.3 – Confidentiality	Contractor Confidentiality Statements signed	Submission	\$50 for each late submission. Employees must sign within 10 days of contract inception or employment
Contract: Sub-paragraph 8.1 – Assignment and Delegation	No unauthorized assumption, delegation or takeover of any of Contractor's duties, responsibilities, obligations or rights by any entity other than Contractor .	Submission and Inspection	Termination of Contract for Breach of Contract
Contract: Sub-paragraph 8.2 – Subcontracting	No unauthorized attempt to Subcontract services Contracted by Contractor.	Submission and Inspection	Termination of Contract for Breach of Contract
Contract: Sub-paragraph 8.4 – Compliance with Applicable Law	Contractor to comply with all applicable Federal, State, and local laws, rules regulations, ordinances and directives.	Submission, inspection and notification by outside parties.	Indemnify, defend and hold harmless County from and against any and all liability, damages, costs and expenses including all defense costs.
Contract: Sub-paragraph 8.9 – Contractor's Responsibility and Debarment	Contractor is to demonstrate the attributes of trustworthiness, quality, fitness, capacity and experience to satisfactorily perform the Contract	Acquisition of information from outside sources.	Debar Contractor from bidding on County Contracts on a specified period of time not to exceed 3 years and termination of any or all existing Contracts with the County.
Contract: Sub-paragraph 8.18.1 – Evidence of Insurance	Certificate(s) or other evidence of coverage satisfactory to the County.	Submission & Inspection	Delay in provision of work under the contract if insurance certificate provided late
Contract: Sub-paragraph - 8.18.3 Failure to Maintain Coverage	Contractor to maintain evidence of insurance coverage	Submission & Inspection	Termination of Contract for Breach of Contract
Contract: Sub-paragraph – 8.18.4 Notification of Incidents, Claims or Suits	Contractor to notify County in writing within 24 hours of any accident or incident relating to services performed under this Contractor which may involve filing a lawsuit or claim against the Contractor and/or County	Submission	\$50 if submitted more than 7 business days after Contractor's knowledge of claim or lawsuit
Contract: Sub-paragraph 8.20.1 – Performance Bond/Certificate of Deposit (CD) or Letter of Credit (LOC)	Contractor to provide Performance Bond, CD, or LOC.	Submission	\$50 if submitted more than 30 days after contract start date

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING	DEDUCTIONS/FEEES TO BE ASSESSED
Contract: Sub-paragraph 8.30 – Publicity	Contractor shall not publish or disseminate any commercial advertisements, press releases, feature articles, or other materials without the prior written consent of the CCA.	Inspection & Observation	\$50 per occurrence
Contract: Sub-paragraph 8.31.1 – Notice When 75% Contract Authorization Incurred	Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred 75% of total contract authorization under the Contract.	Submission	\$50 for late notification.
Contract: Sub-paragraph 8.31.2 – Contractor to Notify County within six (6) months of expiration of contract	Contractor shall notify CAO when this Contract is within 6 months from the expiration of the term.	Submission	\$50 for late notification
Contract: Sub-paragraph 8.36 Termination for Improper Consideration	Contractor will immediately report any attempt by a County officer or employee to solicit improper consideration.	Report to CCA or call to County Auditor - Controller's Employee Fraud Hotline	Termination of Contract for providing improper consideration and \$100 for failure to report attempt to obtain improper consideration

1/16/03

G/Med and Dis/Performance Requirements Summary Final

BILL REVIEW INTERFACE**TRANSACTION RECORD LAYOUT**

POS	LEN	JUST	FIELD NAME	FORMAT
1	3	L	Record Code (literal)	'660'
4	30	L	Claimant Name (last name, first MI)	30X
34	11	L	Claim Number (exclude dashes)	11N
45	4	R	Number of Lines per Bill (optional)	4N ⁽⁴⁾
49	6	L	Service Start Date (from date)	6N (MMDDYY) ⁽⁶⁾
55	6	L	Service End Date (thru date)	6N (MMDDYY) ⁽⁶⁾
61	8	R	Total Charges (billed amount)	unpacked, implied decimal ⁽⁴⁾
69	8	R	Total Allowance (payment amount)	unpacked, implied decimal, signed ⁽²⁾ , ⁽⁴⁾ , ⁽⁵⁾
77	9	L	Provider IRS#	9N
86	30	L	Provider Name (line 1)	30X
116	30	L	Provider Name (line 2)	30X
146	7	L	GenCOMP™ Trans# (skeleton trans option)	7X
153	5	L	Override Indicators	5X ⁽²⁾
158	3	L	Bill Review Vendor Code	3A ⁽¹⁾
161	20	L	Bill Review Vendor Transaction#	20X
181	10	L	Message Code (optional)	10X
191	10	L	Provider Street (optional)	10X
201	10	L	Provider Zip Code (optional)	5N or 5N-4N
211	20	L	Invoice #	20X
231	5		Filler	Blanks
236	4	L	Batch Number (tape I.D.)	4N
240	6	L	Process Date (date tape created)	6N (MMDDYY)
246	1	L	Payment Adjustment Code (debit/credit option)	1A
247	1	L	Fee Adjustment Code (debit/credit option)	1A
248	1		Filler	Blanks
249	5	L	Provider # (GenComp biller #)	5X
254	2	L	Payment Category (paycat option)	2X
256	4		Filler	Blanks
260	8	R	Fee Amount (fee option)	unpacked, implied dec., signed ⁽²⁾
268	35	L	Stub Note #1 (optional information)	35X
303	35	L	Stub Note #2 (optional information)	35X
338	35	L	Stub Note #3 (optional information)	35X
373	35	L	Stub Note #4 (optional information)	35X
408	35	L	Stub Note #5 (optional information)	35X
443	8		Filler	Blanks

BILL REVIEW INTERFACE

TRANSACTION RECORD LAYOUT (continued)

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Definitions:

A	=	Alpha	MM	=	Month
N	=	Numeric	DD	=	Day
X	=	Alpha - Numeric	YY	=	Year

Codes/Notes:

- (1)
- | | | |
|-----|---|------------------------|
| BSB | = | Beech Street |
| RCB | = | ReviewCo |
| CCB | = | Compcure/Ouch |
| MDB | = | Metadata |
| CMC | = | CMCI |
| PRI | = | Prime |
| WCS | = | Wcomp Casualty Service |
| CRI | = | CompReview, Inc. |
- (2)
- | | | |
|---|---|--------------------------------|
| T | = | overlap, not duplicate payment |
| Y | = | payment limit exceeded |
| A | = | denied/no-pay case |
| Q | = | questionable case |
- (3) Field can be negative if there is a credit adjustment code for the payment/fee. Refer to rules for signing fields.
- (4) The totals for the 660 record will be balanced to the count and totals of the 665 line records for this transaction, and the load will be rejected if there is a mismatch.
- (5) The amount should be '0' for review-only transactions, and blank for fee-only transactions.
- (6) If line records are included, the start date should be the oldest from date for all of the line dates, and the end date should be the most recent through date.

RULES FOR SIGNING FIELDS

The following chart can be used to create signed fields. Replace the last digit of the dollar value with the appropriate ASCII character from the table based on whether the entire value should be positive or negative. The one character will represent both the number and the sign. The signed fields should be zero filled.

Examples for six digit fields: -105 = 00010N; 228 = 00022H; 12 = 00001B; -33 = 00003L

RIGHT-MOST DIGIT	POSITIVE VALUE	NEGATIVE VALUE
0	char(123) - {	char(125) - }
1	char(65) - A	char(74) - J
2	char(66) - B	char(75) - K
3	char(67) - C	char(76) - L
4	char(68) - D	char(77) - M
5	char(69) - E	char(78) - N
6	char(70) - F	char(79) - O
7	char(71) - G	char(80) - P
8	char(72) - H	char(81) - Q
9	char(73) - I	char(82) - R

BILL REVIEW INTERFACE

Page 3 of 8

TRANSACTION LINE RECORD LAYOUT

POS	LEN	JUST	FIELD NAME	FORMAT
1	3	L	Record Code (literal)	'665'
4	3	L	Bill Review Vendor Code	3A ⁽¹⁾
7	20	L	Bill Review Vendor Transaction#	20X ⁽²⁾
27	3	R	Line Number on Bill	3N ⁽³⁾
30	1	L	Fee Schedule Category	1A ⁽³⁾
31	6	L	Service Start Date (from date)	6N (MMDDYY)
37	6	L	Service End Date (thru date)	6N (MMDDYY)
43	3	L	Revenue Code (optional)	3N ⁽⁴⁾
46	3	L	Place of Service Code (optional)	3X ⁽⁴⁾
49	3	L	Type of Service Code (optional)	3X ⁽⁴⁾
52	3	L	Acute Inpatient Care Code (optional)	3X ⁽⁴⁾
55	11	L	Final (Adjusted) Procedure#	5X or 11X ⁽⁵⁾
66	5	L	Modifier Code 1 (optional)	2X or 5X ⁽⁵⁾
71	5	L	Modifier Code 2 (optional)	2X or 5X ⁽⁵⁾
76	5	L	ICD9 Code (optional)	3N or 4N or 5N (no decimal) ⁽⁶⁾
81	5	L	ICD9 Code (optional)	3N or 4N or 5N (no decimal) ⁽⁶⁾
86	5	L	ICD9 Code (optional)	3N or 4N or 5N (no decimal) ⁽⁶⁾
91	5	L	ICD9 Code (optional)	3N or 4N or 5N (no decimal) ⁽⁶⁾
96	5	L	ICD9 Code (optional)	3N or 4N or 5N (no decimal) ⁽⁶⁾
101	8	R	Total Charges (billed amount)	unpacked, implied decimal ⁽⁷⁾
109	6	R	Quantity (Days, Procedures, Drugs/Supplies)	6N
115	6	R	Units	6N
121	8	R	Conversion Factor	unpacked, implied decimal
129	8	R	Total Allowance (payment amount)	unpacked, implied decimal ⁽⁷⁾
137	4	L	Message Code	4X ⁽⁸⁾
141	11	L	Submitted Procedure# (optional)	5X or 11X ⁽⁵⁾
152	50	L	Procedure Description (optional)	50X
202	4	L	Batch Number	4N
206	6	L	Process Date (date tape created)	6N (MMDDYY)
212	39		Filler	Blanks

BILL REVIEW INTERFACE

Page 4 of 8

TRANSACTION LINE RECORD LAYOUT (continued)

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<u>Definitions:</u>	A	=	Alpha	MM	=	Month
	N	=	Numeric	DD	=	Day
	X	=	Alpha - Numeric	YY	=	Year

Codes/Notes:

- (1) BSB = Beech Street
RCB = ReviewCo
CCB = Compure/Ouch
MDB = Metadata
CMC = CMCI
PRI = Prime
WCS = Wcomp Casualty Service
CRI = CompReview, Inc.
- (2) The line number must be associated with an existing 660 transaction record.
- (3) Refer to the FSCONFIG list for the Fee Schedule Section (Factor) codes, POS codes, TOS codes, AIC codes, Modifier codes, and Message codes.
- (4) Hospital Revenue codes:
110 = Private room
120 = Semi-private room
160 = Other accommodations
170 = Nursery room
200 = Intensive care room
240 = Ancillary - inpatient
300 = Outpatient - DXL only
510 = Outpatient services
- (5) The Procedure# can be a standard 5N procedure code, a 1A4N HCPCS code, or a 11X National Drug code.
- (6) Up to five ICD9 codes can be entered per transaction (660) record. The system will accumulate the first five different codes from each of the line (665) records for the transaction (660) record.
- (7) The total charges, total allowance, and total number of line records per transaction will be balanced back to the 660 record. The load will be rejected if there is a mismatch.

Page 7

BILL REVIEW INTERFACE

Page 5 of 8

CASE MANAGEMENT NOTES RECORD LAYOUT

POS	LEN	JUST	FIELD	FORMAT
1	3	L	Record Code	'670'
4	3	L	Bill Review Vendor Code	3A ^(C)
7	4	L	Batch Number (tape ID)	4N
11	6	L	Process Date (date tape created)	6N (MMDDYY)
17	11	L	Claim Number (exclude dashes)	11N
28	30	L	Claimant Name (last name, first MI)	30X
58	6	L	From Date of Case Management Notes	6N (MMDDYY)
64	6	L	Thru Date of Case Management Notes	6N (MMDDYY)
70	3	L	Case Manager Initials	3X
73	3	R	Page Number	3N ^(C)
76	50	L	Page Heading	50X
126	75	L	Line 1 of Notes	75X
201	75	L	Line 2 of Notes	75X
276	75	L	Line 3 of Notes	75X
351	75	L	Line 4 of Notes	75X
426	75	L	Line 5 of Notes	75X
501	75	L	Line 6 of Notes	75X
576	75	L	Line 7 of Notes	75X
651	75	L	Line 8 of Notes	75X
726	75	L	Line 9 of Notes	75X
801	75	L	Line 10 of Notes	75X
876	75	L	Line 11 of Notes	75X
951	75	L	Line 12 of Notes	75X
1,026	75	L	Line 13 of Notes	75X
1,101	75	L	Line 14 of Notes	75X
1,176	75	L	Line 15 of Notes	75X
1,251	75	L	Line 16 of Notes	75X
1,326	75	L	Line 17 of Notes	75X
1,401	50		Filler	Blanks

BILL REVIEW INTERFACE

Page 6 of 8

CASE MANAGEMENT NOTES RECORD LAYOUT (continued)

File on FTP server specs: ascii, blank fill

<u>Definitions:</u>	A	=	Alpha	MM	=	Month
	N	=	Numeric	DD	=	Day
	X	=	Alpha - Numeric	YY	=	Year

Codes/Notes:

- (1)

BSB	=	Beech Street
RCB	=	ReviewCo
CCB	=	Comp cure/Ouch
MDB	=	Metadata
CMC	=	CMCI
PRI	=	Prime
WCS	=	Wcomp Casualty Service
CRI	=	Comp Review, Inc.
- (2) Multiple pages can be submitted per claim. These pages will be added on to existing claim notes when updated, so do not resubmit existing notes.

BILL REVIEW INTERFACE

Page 7 of 8

TRAILER RECORD LAYOUT

POS	LEN	JUST	FIELD	FORMAT
1	3	L	Record Code	'671'
4	4	L	Batch Number (tape ID)	4N
8	6	L	Process Date (date tape created)	MMDDYY
14	6	R	Total - Number of Bills	6N ⁽¹⁾
20	8	R	Total - Total Allowance	unpacked and implied decimal ⁽²⁾
28	3	L	Bill Review Vendor Code	3A ⁽³⁾
31	6	R	Total - Number of Note Pages	6N ⁽³⁾
37	414		Filler	Blanks

File on FTP server specs: ascii, blank fill

Definitions:

A	=	Alpha	MM	=	Month
N	=	Numeric	DD	=	Day
X	=	Alpha - Numeric	YY	=	Year

Codes/Notes:

- (1)
- | | | |
|-----|---|------------------------|
| BSB | = | Beech Street |
| RCB | = | ReviewCo |
| CCB | = | Compcore/Ouch |
| MDB | = | Metadata |
| CMC | = | CMCI |
| PRI | = | Prime |
| WCS | = | Wcomp Casualty Service |
| CRI | = | Comp Review, Inc. |
- (2) The transaction record (660) totals will be balanced to the trailer record totals, and the load will be rejected if there is a mismatch.
- (3) The number of case management note pages (670 records) will be balanced to the trailer record totals, and the load will be rejected if there is a mismatch.

BILL REVIEW INTERFACE

Page 8 of 8

BILLER RECORD LAYOUT

POS	LEN	JUST	FIELD NAME	FORMAT
1	5	L	Biller Number	5N ⁽¹⁾
6	3	L	Unit	3X ⁽¹⁾
9	28	L	Biller Name (line 1)	28X
37	28	L	Biller Name (line 2)	28X
65	30	L	Biller Address (line 1)	30X
95	30	L	Biller Address (line 2)	30X
125	35	L	Biller City, State, Zip	35X
160	11	L	Biller IRS Number	11X
171	4	L	Biller Type Code	4X
175	10	R	Biller Phone#	7N or 10N
185	5	R	Master Biller#	5N
190	1	L	Exclude from 1099 Reporting	Blank or 'Y'
191	10	L	Filler	Blanks

File on FTP server specs: ascii, blank fill

Definitions:

A	=	Alpha
N	=	Numeric
X	=	Alpha - Numeric

Notes:

- (1) The Biller Number and Unit will create a unique id.

EXHIBIT B

PRICING SCHEDULE

	Year 1	Year 2	Year 3	Year 4*	Year 5**
24-Hour Telephonic Reporting	\$15.00 per claim	\$15.00 per claim	\$15.00 per claim	\$15.00 per claim	\$15.00 per claim
Telephonic Medical Case Management	\$65.00 per hour	\$65.00 per hour	\$65.00 per hour	\$65.00 per hour	\$65.00 per hour
Onsite Medical Case Management	\$65.00 per hour	\$65.00 per hour	\$65.00 per hour	\$65.00 per hour	\$65.00 per hour
Medical Bill Review	\$.85 per line 10 line maximum	\$.85 per line 10 line maximum	\$.85 per line 10 line maximum	\$.85 per line 10 line maximum	\$.85 per line 10 line maximum
Medical/Legal Bill Review	\$.85 per line 10 line maximum	\$.85 per line 10 line maximum	\$.85 per line 10 line maximum	\$.85 per line 10 line maximum	\$.85 per line 10 line maximum
Pharmacy Bill Review	\$.85 per line 10 line maximum	\$.85 per line 10 line maximum	\$.85 per line 10 line maximum	\$.85 per line 10 line maximum	\$.85 per line 10 line maximum
Vocational Rehab. Fee Review	\$.85 per line 10 line maximum	\$.85 per line 10 line maximum	\$.85 per line 10 line maximum	\$.85 per line 10 line maximum	\$.85 per line 10 line maximum
Hospital PPO	17% of savings	17% of savings	17% of savings	17% of savings	17% of savings
M.D. PPO	17% of savings	17% of savings	17% of savings	17% of savings	17% of savings
UR services not provided under Case Mgmt. (SOW 1.3)	\$65.00 per hour	\$65.00 per hour	\$65.00 per hour	\$65.00 per hour	\$65.00 per hour
UR Hospital In-Patient Services (Prospective)	\$65.00 per hour	\$65.00 per hour	\$65.00 per hour	\$65.00 per hour	\$65.00 per hour
UR Hospital In-Patient Services (Concurrent)	\$65.00 per hour	\$65.00 per hour	\$65.00 per hour	\$65.00 per hour	\$65.00 per hour
Negotiated Fees for services not in PPO or Bill Review	19% savings	19% savings	19% savings	19% savings	19% savings
Negotiated Fees for Hospital Bill Audit	19% savings	19% savings	19% savings	19% savings	19% savings

* Optional Year 1

** Optional Year 2

EXHIBIT C

**CERTIFICATION OF INDEPENDENT PRICE DETERMINATION
& ACKNOWLEDGEMENT OF RFP RESTRICTIONS**

- A. By submission of this Proposal, Proposer certifies that the prices quoted herein have been arrived at independently without consultation, communication, or agreement with any other Proposer or competitor for the purpose of restricting competition.
- B. List all names and telephone number of person legally authorized to commit the Proposer.

NAME

PHONE NUMBER

Debbie Fredricks

(714) 748-0475

NOTE: Persons signing on behalf of the Contractor will be required to warrant that they are authorized to bind the Contractor.

- C. List names of all joint ventures, partners, subcontractors, or others having any right or interest in this contract or the proceeds thereof. If not applicable, state "NONE".

None

- D. Proposer acknowledges that it has not participated as a consultant in the development, preparation, or selection process associated with this RFP. Proposer understands that if it is determined by the County that the Proposer did participate as a consultant in this RFP process, the County shall reject this proposal.

CorVel Healthcare Corporation

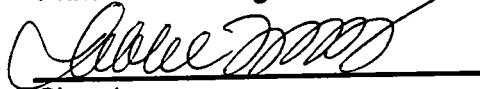
Name of Firm

Debbie Fredricks

District Vice President

Print Name of Signer

Title


Signature

2/28/03

Date

EXHIBIT D

CERTIFICATION OF NO CONFLICT OF INTEREST

The Los Angeles County Code, Section 2.180.010, provides as follows:

CONTRACTS PROHIBITED

Notwithstanding any other section of this Code, the County shall not contract with, and shall reject any proposals submitted by, the persons or entities specified below, unless the Board of Supervisors finds that special circumstances exist which justify the approval of such contract:

1. Employees of the County or of public agencies for which the Board of Supervisors is the governing body;
2. Profit-making firms or businesses in which employees described in number 1 serve as officers, principals, partners, or major shareholders;
3. Persons who, within the immediately preceding 12 months, came within the provisions of number 1, and who:
 - a. Were employed in positions of substantial responsibility in the area of service to be performed by the contract; or
 - b. Participated in any way in developing the contract or its service specifications; and
4. Profit-making firms or businesses in which the former employees, described in number 3, serve as officers, principals, partners, or major shareholders.

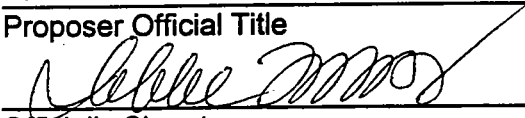
Contracts submitted to the Board of Supervisors for approval or ratification shall be accompanied by an assurance by the department submitting, district or agency that the provisions of this section have not been violated.

Debbie Fredricks

Proposer Name

District Vice President

Proposer Official Title



Official's Signature

Cert. of No Conflict of Interest

EXHIBIT E

Revised 07/02/2001

CHILD SUPPORT COMPLIANCE PROGRAM CERTIFICATION


Los Angeles County Code Chapter 2.200 establishes the Los Angeles County Child Support Compliance Program. This Program requires the County to provide certain information to the Child Support Services Department (CSSD) concerning its employees and business licensees. It further requires that proposers for County contracts submit certifications of Program compliance to the soliciting County department along with their proposals. (In an emergency procurement, as determined by the soliciting County department, these certifications may be provided immediately following the procurement.)

IN ORDER TO COMPLY WITH THIS REQUIREMENT, COMPLETE THIS FORM AND SUBMIT IT DIRECTLY TO THE SOLICITING COUNTY DEPARTMENT ALONG WITH YOUR PROPOSAL. IN ADDITION, PROVIDE A COPY TO THE CSSD AT THE ADDRESS OR FAX NUMBER SHOWN BELOW. SOLE PRACTITIONER MEMBERS OF AN ASSOCIATION MUST COMPLETE AND SUBMIT INDIVIDUAL FORMS.

I, (print name as shown in Proposal) **Debbie Fredricks**, hereby submit this certification to the (County department) **Risk Mgmt and Disability Benefits**, pursuant to the provisions of County Code Section 2.200.060, and hereby certify that (contractor or association name as shown in Proposal or proposal) **CorVel Healthcare Corporation**, an independently-owned or franchiser-owned business (circle one), located at (contractor or, if an association, associated member address) **600 City Pkwy W #200, Orange, CA 92868** is in compliance with Los Angeles County's Child Support Compliance Program and has met the following requirements:

- 1) Submitted a completed Principal Owner Information Form to the Child Support Services Department;
- 2) Fully complied with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and/or California Unemployment Insurance Code Section 1088.5 and will continue to comply with such reporting requirements;
- 3) Fully complied with all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b) or pursuant to applicable provisions of the Uniform Interstate Family Support Act, and will continue to comply with such Orders or Notices.

I declare under penalty of perjury that the foregoing is true and correct.

at: Executed this **28th** day of **February, 2003** (Month and Year)
Orange, California (714) 748-0475
(City/State) (Telephone No.)
by: 
(Signature of a principal owner, an officer, or manager responsible for submission of the proposal to the County.)

Copy to: Child Support Services Department
Special Projects
P.O. Box 911009
Los Angeles, CA 90091-1009
FAX: (323) 869-0634

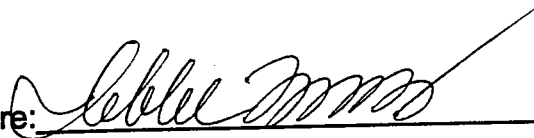
Telephone: (323) 832-7277 or (323) 832-7276

EXHIBIT F

FAMILIARITY OF THE COUNTY LOBBYIST ORDINANCE CERTIFICATION

The Proposer certifies that it is familiar with the terms of the County of Los Angeles Lobbyist Ordinance, Los Angeles Code Chapter 2.160. The Proposer also certifies that all persons acting on behalf of the Proposer organization have and will comply with it during the proposal process.

Signature: _____

A handwritten signature in black ink, appearing to read "Leblond", written over a horizontal line.

Date: **2/28/03** _____

LOBBYIST

CERTIFICATION

EXHIBIT G

County of Los Angeles – Community Business Enterprise Program (CBE)

Request for Local SBE Preference Program Consideration and CBE Firm/Organization Information Form

INSTRUCTIONS: All proposers/bidders responding to this solicitation must complete and return this form for proper consideration of the proposal/bid.

I. LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE PROGRAM:

FIRM NAME: **CorVel Healthcare Corporation**

- ☒ I AM NOT ☐ A Local SBE certified by the County of Los Angeles Office of Affirmative Action Compliance as of the date of this proposal/bids submission.
- ☐ I AM
- ☐ As an eligible Local SBE, I request this proposal/bid be considered for the Local SBE Preference.
- My County (WebVen) Vendor Number : _____

II. FIRM/ORGANIZATION INFORMATION:

The information requested below is for statistical purposes only. On final analysis and consideration of award, contractor/vendor will be selected without regard to race/ethnicity, color, religion, sex, national origin, age, sexual orientation or disability.

Business Structure: <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input checked="" type="checkbox"/> Corporation <input type="checkbox"/> Non-Profit <input type="checkbox"/> Franchise <input type="checkbox"/> Other (Please Specify) _____						
Total Number of Employees (including owners): 3215						
Race/Ethnic Composition of Firm. Please distribute the above total number of individuals into the following categories: (See attached Workforce Analysis Form)						
Race/Ethnic Composition	Owners/Partners/ Associate Partners		Managers		Staff	
	Male	Female	Male	Female	Male	Female
Black/African American	N/A	N/A	14	15	27	226
Hispanic/Latino			14	14	37	198
Asian or Pacific Islander			6	8	26	84
American Indian			0	0	0	9
Filipino			N/A	N/A	N/A	N/A
White			91	226	287	1933

III. PERCENTAGE OF OWNERSHIP IN FIRM:

Please indicate by percentage (%) how ownership of the firm is distributed. N/A CorVel is publicly traded on the NASDAQ National Market System under the symbol "CRVL".

	Black/African American	Hispanic/Latino	Asian or Pacific Islander	American Indian	Filipino	White
Men	%	%	%	%	%	%
Women	%	%	%	%	%	%

IV. CERTIFICATION AS MINORITY, WOMEN, DISADVANTAGED, AND DISABLED VETERAN BUSINESS ENTERPRISES:

If your firm is currently certified as a minority, women, disadvantaged or disabled veteran owned business enterprise by a public agency, complete the following and attach a copy of your proof of certification. (Use back of form, if necessary.) N/A

Agency Name	Minority	Women	Dis- advantaged	Disabled Veteran	Expiration Date

V. DECLARATION: I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE ABOVE INFORMATION IS TRUE AND ACCURATE.

Print Authorized Name Debbie Fredricks	Authorized Signature 	Title District Vice President	Date 2/28/03
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EXHIBIT H

PRINCIPAL OWNER INFORMATION FORM

Los Angeles County Code Chapter 2.200 establishes the Los Angeles County Child Support Compliance Program. This Program requires the County to provide certain information to the Child Support Services Department (CSSD) concerning its employees and business licensees. It further requires that proposers for County contracts provide directly to the Child Support Services Department information concerning their "Principal Owners," that is, those natural persons who own an interest of 10 percent or more in the Contractor. For each "Principal Owner," the information which must be provided to the Child Support Services Department is: 1) the Principal Owner's name, 2) his or her title, and 3) whether or not the Contractor has made a payment of any sort to the Principal Owner.

IN ORDER TO COMPLY WITH THIS REQUIREMENT, COMPLETE THIS FORM AND SUBMIT IT DIRECTLY TO THE CSSD AT THE ADDRESS OR FAX NUMBER SHOWN BELOW ON OR BEFORE THE DATE YOU SUBMIT A PROPOSAL TO A COUNTY DEPARTMENT. MAINTAIN DOCUMENTATION OF SUBMISSION. SOLE PRACTITIONER MEMBERS OF AN ASSOCIATION MUST COMPLETE AND SUBMIT INDIVIDUAL FORMS.

In addition, proposers must certify to the soliciting County department that they are in full compliance with the Program requirements by submitting the Child Support Compliance Program Certification along with the bid or proposal.

To: Child Support Services Department
Special Projects
P.O. Box 911009
Los Angeles, CA 90091-1009
FAX: (323) 869-0634

Telephone: (323) 832-7277 or (323) 832-7276

Contractor or Association Name as Shown on Bid or Proposal: CorVel Healthcare Corp.

Contractor or Associated Member Name, if Contractor is an Association: _____

Contractor or Associated Member Address: 600 City Parkway West, Suite 200
Orange, CA 92868

Telephone: (714) 748-0475

FAX: (714) 935-1163

County Department Receiving Bid or Proposal: _____

Risk Management and Disability Benefits

Type of Goods or Services To Be Provided: _____

Contract or Purchase Order No. (if applicable): _____

Principal Owners: Please check appropriate box. If box I is checked, no further information is required. Please sign and date the form below.

- I. ☐ No natural person owns an interest of 10 percent or more in this Contractor.
II. ☒ Required principal owner information is provided below. (Use a separate sheet if necessary.)

	<u>Name of Principal Owner</u>	<u>Title</u>	<u>Payment Received From Contractor</u>
1.	<u>Gordon Clemons</u>	<u>Chairman, President & CEO</u>	<u>[X] YES</u> [NO]
2.	_____	_____	[YES] [NO]
3.	_____	_____	[YES] [NO]

I declare under penalty of perjury that the foregoing information is true and correct.

By: Debbie Fredricks

Date: 2/28/03

(Signature of a principal owner, an officer, or manager responsible for submission of the bid or proposal to the County.)

Debbie Fredricks

(Print Name)

District Vice President

(Title/Position)

EXHIBIT I

CONTRACTOR'S EEO CERTIFICATION

CorVel Healthcare Corp.

Company Name

600 City Parkway West, Suite 200, Orange, CA 92868

Address

95-3382819

Internal Revenue Service Employer identification Number

GENERAL

In accordance with provisions of the County Code of the County of Los Angeles, the Contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CERTIFICATION	YES	NO
1. Contractor has written policy statement prohibiting discrimination in all phases of employment.	(X)	()
2. Contractor periodically conducts a self-analysis or utilization analysis of its work force.	(X)	()
3. Contractor has a system for determining if its employment practices are discriminatory against protected groups.	(X)	()
4. When areas are identified in employment practices, Contractor has a system for taking reasonable corrective action to include establishment of goal and/or timetables.	(X)	()



Signature

2/28/03

Date

Debbie Fredricks, District Vice President

Name and Title of Signer (please print)

EEO CERTIFICATION

EXHIBIT J

ATTESTATION OF WILLINGNESS TO CONSIDER GAIN/GROW PARTICIPANTS

As a threshold requirement for consideration for contract award, Proposer shall demonstrate a proven record for hiring GAIN/GROW participants or shall attest to a willingness to consider GAIN/GROW participants for any future employment opening if they meet the minimum qualifications for that opening. Additionally, Proposer shall attest to a willingness to provide employed GAIN/GROW participants access to the Proposer's employee mentoring program, if available, to assist these individuals in obtaining permanent employment and/or promotional opportunities.

Proposers unable to meet this requirement shall not be considered for contract award.

Proposer shall complete all of the following information, sign where indicated below, and return this form with any resumes and/or fixed price bid being submitted:

- A. Proposer has a proven record of hiring GAIN/GROW participants and will continue to consider GAIN/GROW participants for any future employment openings.

_____ YES ☒ NO (subject to verification by County)

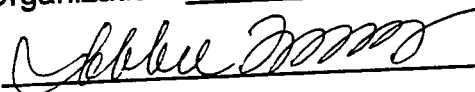
- B. Proposer is willing to consider GAIN/GROW participants for any future employment openings if the GAIN/GROW participant meets the minimum qualifications for the opening. "Consider" means that Proposer is willing to interview qualified GAIN/GROW participants.

☒ YES _____ NO

- C. Proposer is willing to provide employed GAIN/GROW participants access to its employee-mentoring program, if available.

☒ YES _____ NO _____ N/A (Program not available)

Proposer Organization: **CorVel Healthcare Corp.**

Signature: 

Print Name: **Debbie Fredricks**

Title: **District Vice President**

Date: **2/28/03**

Tel.#: **(714) 748-0475**

Fax #: **(714) 935-1163**

GAIN/GROW ATTESTATION

EXHIBIT K

COUNTY OF LOS ANGELES CONTRACTOR EMPLOYEE JURY SERVICE PROGRAM APPLICATION FOR EXCEPTION AND CERTIFICATION FORM

The County's solicitation for this contract/purchase order (Request for Proposal or Invitation for Bid) is subject to the County of Los Angeles Contractor Employee Jury Service Program (Program) (Los Angeles County Code, Chapter 2.203). All bidders or proposers, whether a contractor or subcontractor, must complete this form to either 1) request an exception from the Program requirements or 2) certify compliance. Upon review of the submitted form, the County department will determine, in its sole discretion, whether the bidder or proposer is excepted from the Program.

Company Name: CorVel Healthcare Corporation		
Company Address: 600 City Parkway West, Suite 200		
City: Orange	State: CA	Zip Code: 92868
Telephone Number: (714) 748-0475		
Solicitation For (Type of Goods or Services): Medical and Disability Management and Cost Containment Services		

If you believe the Jury Service Program does not apply to your business, check the appropriate box in Part I (attach documentation to support your claim); or, complete Part II to certify compliance with the Program. Whether you complete Part I or Part II, please sign and date this form below.

Part I: Jury Service Program Is Not Applicable to My Business

- ☐ My business does not meet the definition of "contractor," as defined in the Program as it has not received an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts (this exception is not available if the contract/purchase order itself will exceed \$50,000). I understand that the exception will be lost and I must comply with the Program if my revenues from the County exceed an aggregate sum of \$50,000 in any 12-month period.
- ☐ My business is a small business as defined in the Program. It 1) has ten or fewer employees; and, 2) has annual gross revenues in the preceding twelve months which, if added to the annual amount of this contract, are \$500,000 or less; and, 3) is not an affiliate or subsidiary of a business dominant in its field of operation, as defined below. I understand that the exemption will be lost and I must comply with the Program if the number of employees in my business and my gross annual revenues exceed the above limits.

"Dominant in its field of operation" means having more than ten employees, including full-time and part-time employees, and annual gross revenues in the preceding twelve months, which, if added to the annual amount of the contract awarded, exceed \$500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

- ☐ My business is subject to a Collective Bargaining Agreement (attach agreement) that expressly provides that it supersedes all provisions of the Program.

OR

Part II - Certification of Compliance

- ☒ My business has and adheres to a written policy that provides, on an annual basis, no less than five days of regular pay for actual jury service for full-time employees of the business who are also California residents, or my company will have and adhere to such a policy prior to award of the contract.

I declare under penalty of perjury under the laws of the State of California that the information stated above is true and correct.


Print Name: Debbie Fredricks	Title: District Vice President
Signature: 	Date: 2/28/03

EXHIBIT L1**CONTRACT FOR WORKERS' COMPENSATION MEDICAL AND DISABILITY
MANAGEMENT AND COST CONTAINMENT SERVICES****CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY
AGREEMENT**

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

CONTRACTOR NAME

Contract No. _____

Employee Name _____

GENERAL INFORMATION:

Your employer referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Employee Acknowledgement and Confidentiality Agreement.

EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

Initials of Signer _____

Contractor Name _____ Contract No. _____

Employee Name _____

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to my immediate supervisor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

EXHIBIT L2**CONTRACT FOR WORKERS' COMPENSATION MEDICAL AND DISABILITY
MANAGEMENT AND COST CONTAINMENT SERVICES****NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY
AGREEMENT**

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

CONTRACTOR NAME

Contract No. _____

Non-Employee Name _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Non-Employee Acknowledgement and Confidentiality Agreement.

NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above has exclusive control for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon the Contractor referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

Initials of Signer _____

Contractor Name _____ Contract No. _____

Non-Employee Name _____

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between the above-referenced Contractor and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Contractor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I shall keep such information confidential.

I agree to report to the above-referenced Contractor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Contractor upon completion of this contract or termination of my services hereunder, whichever occurs first.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____ DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

EXHIBIT M
COUNTY'S ADMINISTRATION

CONTRACT NO. _____

CHIEF ADMINISTRATIVE OFFICER:

Name: David E. Janssen
Title: Chief Administrative Officer
Address: 500 West Temple Street, Room 713
Los Angeles, CA 90012
Telephone: (213) 974-1101

COUNTY CONTRACT ADMINISTRATOR:

Name: Constance S. Sullivan
Title: Assistant Division Chief, Risk Management Branch
Address: 3333 Wilshire Boulevard, Suite 1000
Los Angeles, CA 90010
Telephone: (213) 738-2233
Facsimile: (213) 637-0822
E-Mail Address: csulliva@cao.co.la.ca.us

COUNTY CONTRACT MANAGER:

Name: Alex Rossi
Title: Chief Program Specialist, Risk Management Branch
Address: 3333 Wilshire Boulevard, Suite 1000
Los Angeles, CA 90010
Telephone: (213) 738-2154
Facsimile: (213) 637-0822
E-Mail Address: arossi@cao.co.la.ca.us

COUNTY CONTRACT MONITOR:

Name: Lloyd Pantell
Title: Program Specialist III, Risk Management Branch
Address: 3333 Wilshire Boulevard, Suite 1000
Los Angeles, CA 90010
Telephone: (213) 738-2112
Facsimile: (213) 637-0822
E-Mail Address: lpantell@cao.co.la.ca.us

EXHIBIT N

CONTRACTOR'S ADMINISTRATION

CONTRACTOR'S NAME

Corvel Healthcare Corporation

CONTRACT NO.

CONTRACTOR'S PROJECT MANAGER:

Name:

Melinda Baricuatro

Title:

Account Manager

Address:

600 City Parkway West, Suite 200

Orange, CA 92868

Telephone:

(714) 748-0475 x542

Facsimile:

(714) 935-1163

E-Mail Address:

melinda_baricuatro@corvel.com

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name:

Laurie Wright

Title:

Regional Vice President

Address:

28202 Cabot Road, Suite 435

Laguna Niguel, CA 92677

Telephone:

(949) 364-5329 fax

Facsimile:

(949) 364-5341

E-Mail Address:

laurie_wright@corvel.com

Name:

Gwen Spence

Title:

District Manager

Address:

600 City Parkway West, Suite 200

Orange, CA 92868

Telephone:

(714) 748-0475 x513

Facsimile:

(714) 935-1163

E-Mail Address:

Gwen-spence@corvel.com

Notices to Contractor shall be sent to the following address:

Address:

600 City Parkway West, Suite 200

Orange, CA 92868

Telephone:

(714) 748-0475

Facsimile:

(714) 935-1163

E-Mail Address:

EXHIBIT O
ORDINANCE NO.

An ordinance amending Title 2 - Administration of the Los Angeles County Code relating to jury service policies of contractors of the County of Los Angeles.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Chapter 2.203 is hereby added to read as follows:

Chapter 2.203

CONTRACTOR EMPLOYEE JURY SERVICE

2.203.010 Findings. The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies.

2.203.020 Definitions. The following definitions shall be applicable to this chapter:

A. "Contractor" means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of \$50,000 or more in any 1%month period under one or more such contracts or subcontracts.

B. "Employee" means any California resident who is a full-time employee of a contractor under the laws of California.

C. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:

1. A contract where the board finds that special circumstances exist

that justify a waiver of the requirements of this chapter; or

2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or
3. A purchase made through a state or federal contract; or
4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-3700 or a successor provision; or
5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, section 4.4.0 or a successor provision; or
6. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-281 0 or a successor provision; or
7. A non-agreement purchase with a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or
8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section PP-1100 or a successor provision.

D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if the lesser number is a recognized industry standard as determined by the chief administrative officer or the contractor has a long-standing practice that defines a full-time schedule as less than 40 hours per week.

2.203.030 Applicability. This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable.

2.203.040 Contractor Jury Service Policy. A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service.

2.203.050 Other Provisions.

A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.

B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract.

2.203.060 Enforcement and Remedies. For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor.

2.203.070. Exceptions.

A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.

B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.

C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:

1. Has ten or fewer employees during the contract period; and,
2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed \$500,000..

"Affiliate or subsidiary of a business dominant in its field of operation"

means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

2.203.090. Severability. If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

EXHIBIT P

LISTING OF CONTRACTORS DEBARRED IN LOS ANGELES COUNTY

Vendor Name: Shobie Enterprises DBA Seahawk Construction
Principal Owners: Shamir Ahmad Qazi
Debarment Start Date: April 30, 2002 **Debarment End Date:** April 30, 2005

Vendor Name: Automation Data Solutions
Principal Owners: Renee Setero
Debarment Start Date: March 4, 2003 **Debarment End Date:** March 3, 2006

EXHIBIT Q

COUNTY OF LOS ANGELES POLICY ON DOING BUSINESS WITH SMALL BUSINESS

Forty-two percent of businesses in Los Angeles County have five or fewer employees. Only about four percent of businesses in the area exceed 100 employees. According to the Los Angeles Times and local economists, it is not large corporations, but these small companies that are generating new jobs and helping move Los Angeles County out of its worst recession in decades.

WE RECOGNIZE. . . .

The importance of small business to the County. . .

- in fueling local economic growth
- providing new jobs
- creating new local tax revenues
- offering new entrepreneurial opportunity to those historically under-represented in business

The County can play a positive role in helping small business grow. . .

- as a multi-billion dollar purchaser of goods and services
- as a broker of intergovernmental cooperation among numerous local jurisdictions
- by greater outreach in providing information and training
- by simplifying the bid/proposal process
- by maintaining selection criteria which are fair to all
- by streamlining the payment process

WE THEREFORE SHALL:

1. Constantly seek to streamline and simplify our processes for selecting our vendors and for conducting business with them.
2. Maintain a strong outreach program, fully-coordinated among our departments and districts, as well as other participating governments to: a) inform and assist the local business community in competing to provide goods and services; b) provide for ongoing dialogue with and involvement by the business community in implementing this policy.
3. Continually review and revise how we package and advertise solicitations, evaluate and select prospective vendors, address subcontracting and conduct business with our vendors, in order to: a) expand opportunity for small business to compete for our business; and b) to further opportunities for all businesses to compete regardless of size.
4. Insure that staff who manage and carry out the business of purchasing goods and services are well trained, capable and highly motivated to carry out the letter and spirit of this policy.

No shame.
No blame.
No names.

**Newborns can be safely given up
 at any Los Angeles County
 hospital emergency room or fire station.**



In Los Angeles County:

1-877-BABY SAFE

1-877-222-9723

www.babysafela.org



State of California
 Gray Davis, Governor

Health and Human Services Agency
 Grantland Johnson, Secretary

Department of Social Services
 Rita Saenz, Director



Los Angeles County Board of Supervisors

Gloria Molina, Supervisor, First District

Yvonne Brathwaite Burke, Supervisor, Second District

Zev Yaroslavsky, Supervisor, Third District

Don Knabe, Supervisor, Fourth District

Michael D. Antonovich, Supervisor, Fifth District

This initiative is also supported by First 5 LA and INFO LINE of Los Angeles.

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents to give up their baby confidentially. As long as the baby has not been abused or neglected, parents may give up their newborn without fear of arrest or prosecution.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially and safely give up a baby within three days of birth. The baby must be handed to an employee at a Los Angeles County emergency room or fire station. As long as the child shows no signs of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, workers will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their newborns within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?

In most cases, a parent will bring in the baby. The law allows other people to bring in the baby if they have legal custody.

Does the parent have to call before bringing in the baby?

No. A parent can bring in a baby anytime, 24 hours a day, 7 days a week so long as the parent gives the baby to someone who works at the hospital or fire station.

Does a parent have to tell anything to the people taking the baby?

No. However, hospital personnel will ask the parent to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the child. Although encouraged, filling out the questionnaire is not required.

What happens to the baby?

The baby will be examined and given medical treatment, if needed. Then the baby will be placed in a pre-adoptive home.

What happens to the parent?

Once the parent(s) has safely turned over the baby, they are free to go.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned by their parents and potentially being hurt or killed. You may have heard tragic stories of babies left in dumpsters or public bathrooms. The parents who committed these acts may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had nowhere to turn for help, they abandoned their infants. Abandoning a baby puts the child in extreme danger. It is also illegal. Too often, it results in the baby's death. Because of the Safely Surrendered Baby Law, this tragedy doesn't ever have to happen in California again.

A baby's story

At 8:30 a.m. on Thursday, July 25, 2002, a healthy newborn baby was brought to St. Bernardine Medical Center in San Bernardino under the provisions of the California Safely Surrendered Baby Law. As the law states, the baby's mother did not have to identify herself. When the baby was brought to the emergency room, he was examined by a pediatrician, who determined that the baby was healthy and doing fine. He was placed with a loving family while the adoption process was started.

Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a newborn, let her know there are other options.

It is best that women seek help to receive proper medical care and counseling while they are pregnant. But at the same time, we want to assure parents who choose not to keep their baby that they will not go to jail if they deliver their babies to safe hands in any Los Angeles County hospital ER or fire station.

Sin pena. Sin culpa. Sin peligro.

**Los recién nacidos pueden ser entregados
en forma segura en la sala de emergencia de
cualquier hospital o en un cuartel de bomberos
del Condado de Los Angeles.**



En el Condado de Los Angeles:

1-877-BABY SAFE

1-877-222-9723

www.babysafela.org



Estado de California
Gray Davis, Gobernador

Agencia de Salud y Servicios Humanos
(Health and Human Services Agency)
Grantland Johnson, Secretario

Departamento de Servicios Sociales
(Department of Social Services)
Rita Saenz, Directora



Consejo de Supervisores del Condado de Los Angeles

Gloria Molina, Supervisora, Primer Distrito

Yvonne Brathwaite Burke, Supervisora, Segundo Distrito

Zev Yaroslavsky, Supervisor, Tercer Distrito

Don Knabe, Supervisor, Cuarto Distrito

Michael D. Antonovich, Supervisor, Quinto Distrito

Esta Iniciativa también está apoyada por First 5 LA y INFO LINE de Los Angeles.

¿Qué es la Ley de Entrega de Bebés Sin Peligro?

La Ley de Entrega de Bebés Sin Peligro de California permite a los padres entregar a su recién nacido confidencialmente. Siempre que el bebé no haya sufrido abuso ni negligencia, padres pueden entregar a su recién nacido sin temor a ser arrestados o procesados.

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura, dentro de los tres días del nacimiento. El bebé debe ser entregado a un empleado de una sala de emergencias o de un cuartel de bomberos del Condado de Los Angeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre recibirá un brazalete igual.

¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden empezar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Angeles, al 1-800-540-4000.

¿Sólo los padres podrán llevar al recién nacido?

En la mayoría de los casos, los padres son los que llevan al bebé. La ley permite que otras personas lleven al bebé si tienen la custodia legal del menor.

¿Los padres deben llamar antes de llevar al bebé?

No. El padre/madre puede llevar a su bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, mientras que entregue a su bebé a un empleado del hospital o de un cuartel de bomberos.

¿Es necesario que el padre/madre diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital le pedirá que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para los cuidados que recibirá el bebé. Es recomendado llenar este cuestionario, pero no es obligatorio hacerlo.

¿Qué ocurrirá con el bebé?

El bebé será examinado y, de ser necesario, recibirá tratamiento médico. Luego el bebé se entregará a un hogar preadoptivo.

¿Qué pasará con el padre/madre?

Una vez que los padres hayan entregado a su bebé en forma segura, serán libres de irse.

¿Por qué California hace esto?

La finalidad de la Ley de Entrega de Bebés Sin Peligro es proteger a los bebés del abandono por parte de sus padres y de la posibilidad de que mueran o sufran daños. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Es posible que los padres que cometieron estos actos hayan estado atravesando dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus recién nacidos porque tenían miedo y no tenían adonde recurrir para obtener ayuda. El abandono de un recién nacido lo pone en una situación de peligro extremo. Además es ilegal. Muy a menudo el abandono provoca la muerte del bebé. Ahora, gracias a la Ley de Entrega de Bebés Sin Peligro, esta tragedia ya no debe suceder nunca más en California.

Historia de un bebé

A las 8:30 a.m. del jueves 25 de julio de 2002, se entregó un bebé recién nacido saludable en el St. Bernardine Medical Center en San Bernardino, en virtud de las disposiciones de la Ley de Entrega de Bebés Sin Peligro. Como lo establece la ley, la madre del bebé no se tuvo que identificar. Cuando el bebé llegó a la sala de emergencias, un pediatra lo revisó y determinó que el bebé estaba saludable y no tenía problemas. El bebé fue ubicado con una buena familia, mientras se iniciaban los trámites de adopción.

**Cada recién nacido merece una
oportunidad de tener una vida saludable.
Si alguien que usted conoce está pensando
en abandonar a un recién nacido, infórmele
qué otras opciones tiene.**

Es mejor que las mujeres busquen ayuda para recibir atención médica y asesoramiento adecuado durante el embarazo. Pero al mismo tiempo, queremos asegurarles a los padres que optan por no quedarse con su bebé que no irán a la cárcel si dejan a sus bebés en buenas manos en cualquier sala de emergencia de un hospital o en un cuartel de bomberos del Condado de Los Angeles.



CONTRACT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

DIVERSIFIED HEALTHCARE SERVICES, INC.

FOR

**WORKERS' COMPENSATION
MEDICAL AND DISABILITY MANAGEMENT
AND COST CONTAINMENT SERVICES**

**CONTRACT PROVISIONS
TABLE OF CONTENTS**

PARAGRAPH	TITLE	PAGE
RECITALS		1
1.0	APPLICABLE DOCUMENTS.....	1
2.0	DEFINITIONS.....	3
3.0	WORK PROVIDED BY CONTRACTOR.....	3
4.0	TERM OF CONTRACT	3
5.0	PAYMENT FOR WORK	4
5.1	PAYMENT PURSUANT TO PRICING SCHEDULE.....	4
5.2	NO PAYMENT FOR SERVICES OUTSIDE SCOPE OF STATEMENT OF WORK.....	4
5.3	MONTHLY INVOICE	4
5.4	ADJUSTMENTS TO MONTHLY INVOICES AND TOTAL FEES PAID	5
5.5	ADJUSTMENTS FOR OVERPAYMENT, FINE, PENALTY, OR OTHER COST	5
5.6	NOTICE OF ASSESSMENT OF ADJUSTMENTS TO PAYMENTS.....	6
5.7	MANDATORY DISPUTE ARBITRATION.....	7
5.8	QUALITY CONTROL PLAN.....	8
5.9	ADJUSTMENT PURSUANT TO AUDIT AND RECORD RETENTION REQUIREMENT	9
5.10	ADJUSTMENT FOR FAILURE TO MEET PERFORMANCE REQUIREMENTS.....	10
6.0	ADMINISTRATION OF CONTRACT- COUNTY	11
6.1	COUNTY'S CONTRACT ADMINISTRATOR	11
6.2	COUNTY'S CONTRACT MANAGER.....	12
6.3	COUNTY'S CONTRACT MONITOR.....	12
7.0	ADMINISTRATION OF CONTRACT - CONTRACTOR	12
7.1	CONTRACTOR'S PROJECT MANAGER.....	12
7.2	APPROVAL OF CONTRACTOR'S STAFF	13
7.3	CONFIDENTIALITY	13
8.0	TERMS AND CONDITIONS	13
8.1	ASSIGNMENT AND DELEGATION.....	13
8.2	SUBCONTRACTING	14
8.3	CHANGE NOTICES AND AMENDMENTS	15
8.4	COMPLIANCE WITH APPLICABLE LAW.....	16
8.5	COMPLIANCE WITH CIVIL RIGHTS LAWS.....	16

**CONTRACT PROVISIONS
TABLE OF CONTENTS**

PARAGRAPH	TITLE	PAGE
8.6	CONFLICT OF INTEREST	16
8.7	CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST	17
8.8	CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS	17
8.9	CONTRACTOR'S RESPONSIBILITY AND DEBARMENT	17
8.10	CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT	19
8.11	CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM	19
8.12	COUNTY'S QUALITY ASSURANCE PLAN	19
8.13	EMPLOYMENT ELIGIBILITY VERIFICATION	20
8.14	FAIR LABOR STANDARDS	20
8.15	GOVERNING LAW, JURISDICTION, AND VENUE	20
8.16	INDEPENDENT CONTRACTOR STATUS	21
8.17	INDEMNIFICATION	21
8.18	GENERAL INSURANCE REQUIREMENTS	21
8.19	INSURANCE COVERAGE REQUIREMENTS	24
8.20	PERFORMANCE SECURITY REQUIREMENTS	25
8.21	LICENSES, PERMITS, REGISTRATIONS AND CERTIFICATES	25
8.22	MOST FAVORED PUBLIC ENTITY	25
8.23	NONDISCRIMINATION IN EMPLOYMENT	25
8.24	NONEXCLUSIVITY	27
8.25	NOTICE OF DELAYS	27
8.26	NOTICE OF DISPUTES	27
8.27	NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT	27
8.28	NOTICES	27
8.29	PUBLIC RECORDS ACT	28
8.30	PUBLICITY	28
8.31	NOTICE WHEN 75% CONTRACT AUTHORIZATION INCURRED OR WITHIN SIX MONTHS FROM EXPIRATION OF TERM	29

**CONTRACT PROVISIONS
TABLE OF CONTENTS**

PARAGRAPH	TITLE	PAGE
8.32	RECYCLED PAPER	29
8.33	TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN CHILD SUPPORT COMPLIANCE	29
8.34	TERMINATION FOR CONVENIENCE	29
8.35	TERMINATION FOR DEFAULT	31
8.36	TERMINATION FOR IMPROPER CONSIDERATION	32
8.37	TERMINATION FOR INSOLVENCY	33
8.38	TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE	33
8.39	TERMINATION FOR NON-APPROPRIATION OF FUNDS	33
8.40	BUDGET REDUCTIONS	34
8.41	REPORTS AND RECORDS	34
8.42	VALIDITY	34
8.43	WAIVER	34
8.44	WARRANTY AGAINST CONTINGENT FEES	34
8.45	COMPLIANCE WITH JURY DUTY PROGRAM	35
8.46	NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF CONTRACT	37
8.47	AUTHORIZATION WARRANTY	37
8.48	SAFELY SURRENDERED BABY LAW	37
8.49	CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW	37
8.50	INTERPRETATION	38
SIGNATURES		39
EXHIBITS		
A STATEMENT OF WORK		
--Technical Exhibits		
1 Contract Discrepancy Report		
2 Performance Requirements Summary Chart		
3 Data Format		
B PRICING SCHEDULE		
C CERTIFICATION OF INDEPENDENT PRICE DETERMINATION & ACKNOWLEDGEMENT OF RFP RESTRICTIONS		

**CONTRACT PROVISIONS
TABLE OF CONTENTS**

EXHIBITS

- D CERT. NO CONFLICT OF INTEREST
- E CHILD SUPPORT COMPLIANCE PROGRAM CERTIFICATION
- F FAMILIARITY OF THE COUNTY LOBBYIST ORDINANCE PROGRAM

- G L.A. COUNTY COMMUNITY BUSINESS ENTERPRISE PROGRAM
- H PRINCIPAL OWNER INFORMATION (POI) FORM
- I PROPOSER'S EEO CERTIFICATION
- J ATTESTATION OF WILLINGNESS TO CONSIDER GAIN/GROW PARTICIPANTS
- K COUNTY OF LOS ANGELES CONTRACTOR EMPLOYEE
JURY SERVICES PROGRAM

EXHIBITS L1 AND L2 REQUIRED AT TIME OF CONTRACT EXECUTION

- L1 CONTRACTOR EMPLOYEE ACKNOWLEDGMENT AND
CONFIDENTIALITY AGREEMENT

- L2 CONTRACTOR NON-EMPLOYEE ACKNOWLEDGMENT AND
CONFIDENTIALITY

- M COUNTY'S ADMINISTRATION
- N CONTRACTOR'S ADMINISTRATION
- O JURY SERVICE ORDINANCE
- P LISTING OF CONTRACTORS DEBARRED IN LOS ANGELES COUNTY
- Q DOING BUSINESS WITH SMALL BUSINESS
- R SAFELY SURRENDERED BABY LAW

**CONTRACT BETWEEN
COUNTY OF LOS ANGELES
AND
DIVERSIFIED HEALTHCARE SERVICES, INC.
FOR
WORKERS' COMPENSATION
MEDICAL AND DISABILITY MANAGEMENT AND
COST CONTAINMENT SERVICES**

This Contract and Exhibits made and entered into this ____ day of _____, 2003 by and between the County of Los Angeles, hereinafter referred to as County and Diversified HealthCare Services, Inc., hereinafter referred to as Contractor. Contractor is located at 201 E. Sandpointe, Suite 320, Santa Ana, CA 92707.

RECITALS

WHEREAS, Los Angeles County Code Section 5.31.050 provides that the County establishes, administers, and operates a complete self-insurance workers' compensation program; and

WHEREAS, pursuant to the California Government Code Sections 31000 and 31000.8, County is authorized to contract with private firms to perform such services; and

WHEREAS, the Contractor is a private firm specializing in providing medical and disability management and cost containment services; and

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for good and valuable consideration, the parties agree to the following:

1.0 APPLICABLE DOCUMENTS

Exhibits A, B, C, D, E, F, G, H, I, J, K, L1, L2, M, N, O, P, Q, and R are attached to and form a part of this Contract. In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule, or the contents or description of any task, deliverable, goods, service, or other work, or otherwise between the base Contract and the Exhibits, or between Exhibits, such conflict or inconsistency shall be

resolved by giving precedence first to the Contract and then to the Exhibits according to the following priority:

- 1.1 EXHIBIT A - Statement of Work
- 1.2 EXHIBIT B - Pricing Schedule
- 1.3 EXHIBIT C - Certification of Independent Price Determination & Acknowledgement of RFP Restrictions
- 1.4 EXHIBIT D - Cert. No Conflict of Interest
- 1.5 EXHIBIT E - Child Support Compliance Program Certification
- 1.6 EXHIBIT F - Familiarity of the County Lobbyist Ordinance Program
- 1.7 EXHIBIT G - L.A. County Community Business Enterprise Program
- 1.8 EXHIBIT H - Principal Owner Information (POI) Form
- 1.9 EXHIBIT I - Proposers EEO Certification
- 1.10 EXHIBIT J - Attestation of Willingness to Consider GAIN/GROW Participants
- 1.11 EXHIBIT K - County of Los Angeles Contractor Employee Jury Services Program
- 1.12 EXHIBIT L1 – Contractor Employee Acknowledgement and Confidentiality Agreement
- 1.13 EXHIBIT L2 – Contractor Non-Employee Acknowledgement and Confidentiality Agreement
- 1.14 EXHIBIT M - County's Administration
- 1.15 EXHIBIT N - Contractor's Administration
- 1.16 EXHIBIT O - Jury Service Ordinance
- 1.17 EXHIBIT P - Listing of Contractors Debarred in Los Angeles County
- 1.18 EXHIBIT Q - Doing Business with Small Business
- 1.19 EXHIBIT R – Safely Surrendered Baby Law

This Contract and the Exhibits hereto constitute the complete and exclusive statement of understanding between the parties, and supersedes all previous Contracts, written and oral, and all communications between the parties relating to the subject matter of this Contract.

2.0 DEFINITIONS

Throughout this Contract, references are made to certain persons, groups, or departments/agencies. For convenience, a description of specific definitions can be found in Exhibit A, Section I, Paragraph 1.0, Definitions.

3.0 WORK PROVIDED BY CONTRACTOR

- 3.1 Pursuant to the provisions of this Contract, the Contractor shall fully perform, complete and deliver on time, all tasks, deliverables, services and other work as set forth in the Statement of Work, Exhibit A and in any other provision of this Contract.
- 3.2 If the Contractor provides any tasks, deliverables, goods, services, or other work, other than as specified in this Contract, the same shall be deemed to be a gratuitous effort on the part of the Contractor, and the Contractor shall have no claim whatsoever against the County.

4.0 TERM OF CONTRACT

- 4.1 The term of this Contract shall be three (3) years with two one-year optional extensions as described in 4.2 below. The Contract shall commence on November 7, 2003, and terminate on November 6, 2006, following execution by County's Board of Supervisors, unless sooner terminated or extended, in whole or in part, as provided in this Contract.
- 4.2 This Contract may be extended by mutual agreement of the parties for up to two additional one-year periods, for a maximum total Contract term of five (5) years. Such extensions of the term shall not change any other term or condition of the Contract. The Chief Administrative Officer is authorized to act on behalf of the County in agreeing to such extensions.
- 4.3 In the event of expiration of the term of the Contract or termination prior to the expiration of the term of this Contract, the Contractor shall fully cooperate with County to provide for the transition to whatever service replacement method the County determines to be in its best interest.
- 4.4 Upon mutual agreement between County and Contractor, the Contractor shall assume County claims/files from other County Claims Administrators at substantially the same terms of this Agreement.

5.0 PAYMENT FOR WORK

5.1 Payment Pursuant to Pricing Schedule

The County shall pay the Contractor in arrears on a (flat fee or per unit of service) basis as set forth in the Pricing Schedule attached hereto as Exhibit B based on monthly invoices submitted by Contractor and subject to the adjustments and conditions set forth herein.

5.2 No Payment for Services Outside Scope of Statement of Work

The Contractor shall not be entitled to payment or reimbursement for any tasks or services performed outside the scope of the Statement of Work, or for any incidental or administrative expenses whatsoever incurred in or incidental to performance of services within the Statement of Work, except as specified herein.

5.3 Monthly Invoice

5.3.1 Monthly Invoices

The Contractor shall invoice the County monthly in arrears for fees due for the billing period. The invoices shall clearly reflect and provide reasonable detail as determined by the CCA of the services provided as specified in Exhibit A – Statement of Work and elsewhere herein. All invoices under this Contract shall be submitted to the following address:

Chief Administrative Office
Constance S. Sullivan, Assistant Division Chief
Risk Management Branch
3333 Wilshire Boulevard, Suite 1000
Los Angeles, CA 90010
(213) 738-2233
Fax: (213) 637-0822
csullivan@cao.co.la.ca.us

5.3.1.1 The Contractor's invoices shall be priced in accordance with Exhibit B - Pricing Schedule.

5.3.1.2 The Contractor's invoices shall contain the information set forth in Exhibit A - Statement of Work describing the tasks, deliverables, goods, services, work hours, and facility and/or other work for which payment is claimed.

5.3.2 **County Approval of Invoices.** All invoices submitted by the Contractor for payment must have the written approval of the County's Contract Administrator for compliance with this

contract prior to any payment thereof. In no event shall the County be liable or responsible for any payment prior to such written approval.

5.4 Adjustments to Monthly Invoices and Total Fees Paid

5.4.1 The County will adjust the invoice as follows:

5.4.1.1 The County may reduce the monthly invoice for assessment of adjustments to payments pursuant to Paragraph 5.5 for which the County has notified Contractor pursuant to Paragraph 5.6 of this Section at any time prior to receipt of the monthly invoice.

5.4.1.2 The County shall increase or reduce the monthly invoice pursuant to Section 5.8, Quality Control Plan.

5.4.1.3 The County may reduce the monthly invoice for assessment of adjustments pursuant to Paragraph 5.10 and for payments made pursuant to Paragraph 8.1.3.

5.4.2 Adjustments to Total Fees Paid

The total fees paid pursuant to this Contract will be reduced for overpayments, fines, penalties and other costs incurred by County due to the Contractor's failure to comply with any term or condition of this Contract as further set forth in Paragraph 5.5 Adjustments for Overpayment, Fine, Penalty or Other Cost; and will be increased or reduced as set forth in Paragraph 5.8 Quality Control Plan; and will be reduced for adjustments for Contractor's failure to meet performance requirements as further set forth in Paragraph 5.10. The County's payment is subject to adjustment following audit as set forth in Paragraph 5.9 of this Section, Adjustment Pursuant to Audit and Record Retention Requirement.

5.5 Adjustments for Overpayment, Fine, Penalty or Other Cost

The Contractor shall reimburse the County for any overpayment, fine, penalty or other cost incurred due to the Contractor's failure to comply with any term or condition of this Contract. No reimbursement by the Contractor is required under this section if Contractor's act(s) and/or omission(s) were expressly approved or directed by an authorized County representative.

5.5.1 Such failure includes but is not limited to the following:

- 5.5.1.1 Late payment or nonpayment of any benefit to any medical provider resulting in penalty or attorney fees.
- 5.5.1.2 Overpayment of any benefit owed to any lien claimant, or other party in a case due to Contractor's failure to comply with the general standards of care and generally accepted best practices of the workers' compensation claims administration industry, any State or Federal requirement, or any written County policy provided to Contractor prior to the overpayment.
- 5.5.1.3 Excessive payment of any benefit to any lien claimant, or other party in a case due to Contractor's failure to comply in a timely manner with the general standards of care and generally accepted best practices of the workers' compensation claims administration industry, any State or Federal requirement, or any written County policy provided to Contractor prior to the excessive payment.
- 5.5.1.4 Fines or penalty assessed against the Contractor or the County due to the Contractor's failure to comply with the general standards of care and generally accepted practices the workers' compensation claims administration industry, any State or Federal requirement, or any written County policy provided to Contractor prior to the failure by Contractor.

5.6 Notice of Assessment of Adjustments to Payments

The County shall give notice to the Contractor of any assessment of adjustment pursuant to Paragraph 5.5, Adjustments for Overpayment, Fine, Penalty or Other Cost. The Contractor shall have the opportunity to respond to the assessment including the following:

- 5.6.1 Evidence that an overpayment or excessive cost was not made.

5.6.2 Evidence that the Contractor complied with the general standards of care and generally accepted practices of the workers' compensation claims administration industry, State or Federal requirements, or any written County policy provided to Contractor.

5.6.3 Evidence that Contractor obtained prior approval from an authorized County official.

5.7 Mandatory Dispute Arbitration

The Contractor and the County shall submit all disputes relating to Paragraph 5.5, Adjustment for Overpayment, Fine, Penalty or Other Cost, to binding arbitration, in accordance with California Code of Civil Procedure Sections 1280 through 1294.2. Either the Contractor or the County may enforce the award of the arbitrator under Section 1285 of the Code. The Contractor and the County understand that they are waiving their rights to a jury trial.

5.7.1 The Contractor and the County shall select a mutually acceptable arbitrator. If for any reason the Contractor and the County cannot agree on a mutually acceptable arbitrator, either the Contractor or the County may apply to the Superior Court for the designation of five possible arbitrators meeting the qualifications of Paragraph 5.7.2. The Contractor and the County may then each strike two names from the list within the next five days. The court shall then appoint as arbitrator a person whose name has not been struck from the list.

5.7.2 The arbitrators selected by the Superior Court under Paragraph 5.7.1 shall have at least 10 years experience in workers' compensation claims administration. This provision may be waived by agreement of the County and the Contractor. The CAO is authorized to agree to a waiver on behalf of the County.

5.8 Quality Control Plan

5.8.1 The Contractor shall establish and maintain a Quality Control Plan to assure that the requirements of the contract are met. The plan shall include, but not be limited to, the following:

5.8.1.1 The methods for assuring and verifying that contractor staff are qualified and properly trained to perform the services required under the agreement.

5.8.1.2 A system for monitoring compliance with all the services listed in Exhibit A – Statement of Work. It must specify the activities to be inspected/audited on either a scheduled or unscheduled basis, how often inspections/audits will be accomplished, and the title of the individual(s) who will perform the inspection/audits.

5.8.1.3 The methods for identifying, correcting and preventing deficiencies in the quality of service performed before the level of performance becomes unacceptable.

5.8.2 Adjustments Pursuant to Performance Guarantees:

The County may, at its sole discretion, conduct quarterly performance audits. The Contractor's audit score shall result in payment adjustments according to the following performance guarantees:

PERFORMANCE GUARANTEES FOR YEARS 1 - 5	SCORE
---	--------------

- | | |
|--|----|
| - Met all reporting requirements over the course of the audited quarter, including data file transfer. | 5 |
| - 99.5% of the time, no payment for duplicate billings and no charge for review of duplicate billings. | 5 |
| - 35% of savings on gross billings after bill review. | 10 |
| - Contractor will reduce average quarterly medical cost per claim by 10%. | 20 |

OR

Contractor will reduce average quarterly medical

- | | |
|---|----|
| cost per claim by 5%. | 10 |
| - Turnaround time will be less than or equal to 5 business days for 84% of all bills received. | 5 |
| - For in-patient hospital services not subject to the California Medical Fee Schedule and PPO discounts, the amounts paid for services must average at least 30% below the amounts charged. | 5 |

TOTAL SCORE

BONUS or REDUCTION

50	Collect additional 5% of revenue generated by this contract for the audited quarter.
40 – 45	Collect additional 2.5% of revenue generated by this contract for the audited quarter.
25 - 35	Revenue neutral.
15 - 20	Pay back service fees of 2.5% of revenue generated by this contract for the audited quarter.
10 or less	Pay back service fees of 5% of revenue generated by this contract for the audited quarter.

5.9 Adjustment Pursuant to Audit and Record Retention Requirement

The Contractor shall maintain accurate and complete financial records of its activities and operations relating to this Contract in accordance with generally accepted accounting principles. The Contractor shall also maintain accurate and complete employment and other records relating to its performance of this Contract. The Contractor agrees that the County, or its authorized representatives, shall have access to facilities and the right to examine, audit, excerpt, copy, or transcribe any pertinent transaction, activity, or records relating to this Contract. All such material, including, but not limited to, all financial records, timecards and other employment records, and proprietary data and information, shall be kept and maintained by the Contractor and shall be made available to the County during the term of this Contract and for a period of five (5) years thereafter unless the County's written permission is given to

dispose of any such material prior to such time. All such material shall be maintained by the Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at the County's option, the Contractor shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

- 5.9.1 In the event that an audit of the Contractor is conducted specifically regarding this Contract by any Federal or State auditor, or by any auditor or accountant employed by the Contractor or otherwise, then the Contractor shall file a copy of such audit report with the County's Auditor-Controller within thirty (30) days of the Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Contract. The County shall make a reasonable effort to maintain the confidentiality of such audit report(s).
- 5.9.2 Failure on the part of the Contractor to comply with any of the provisions of this Sub-paragraph 5.9 shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract.
- 5.9.3 If, at any time during the term of this Contract or within five (5) years after the expiration or termination of this Contract, representatives of the County may conduct an audit of the Contractor regarding the work performed under this Contract, and if such audit finds that the County's dollar liability for any such work is less than payments made by the County to the Contractor, then the difference shall be either: a) repaid by the Contractor to the County by cash payment upon demand or b) at the sole option of the County's Auditor-Controller, deducted from any amounts due to the Contractor from the County, whether under this Contract or otherwise. If such audit finds that the County's dollar liability for such work is more than the payments made by the County to the Contractor, then the difference shall be paid to the Contractor by the County by cash payment, provided that in no event shall the County's maximum obligation for this Contract exceed the funds appropriated by the County for the purpose of this Contract.

5.10 Adjustment for Failure to Meet Performance Requirements

The Contractor's fees will be reduced by the amounts specified in Technical Exhibit 2 for Contractor's failure to comply with the specific terms of this Contract identified in Technical Exhibit 2.

6.0 ADMINISTRATION OF CONTRACT - COUNTY

COUNTY ADMINISTRATION

A listing of all County Administration referenced in the following Sub-paragraphs are designated in Exhibit M. The County shall notify the Contractor in writing of any change in the names or addresses shown.

6.1 County's Contract Administrator (CCA)

The CCA is the Assistant Division Chief of Occupational Health and Disability Management, or his/her duly authorized designee.

Chief Administrative Office
Constance S. Sullivan, Assistant Division Chief
Risk Management Branch
3333 Wilshire Boulevard, Suite 1000
Los Angeles, CA 90010
(213) 738-2233
Fax: (213) 637-0822
csulliva@cao.co.la.ca.us

Responsibilities of the CCA include:

- 6.1.1 The CCA shall ensure that the objectives of this Contract are met.
- 6.1.2 The CCA is authorized to initiate and enter into change notices which do not change the terms and conditions of this Contract in accordance with 8.3, Change Notices and Amendments.
- 6.1.3 The CCA or designee shall provide direction to Contractor in the areas relating to County policy and procedural requirements, information requirements, and on other matters.
- 6.1.4 The County shall inform the Contractor of the name, address and telephone number of the County Contract Administrator in writing at the time the contract is awarded.
- 6.1.5 The CCA or designee shall be responsible for and have full authority to oversee and monitor the Contractor's performance in the daily operation of the contract.
- 6.1.6 In the event of a dispute regarding substantive questions, the CCA's interpretation shall prevail including without limitation, interpretation of Federal, State and local laws, civil procedures, legal process, court rules and administrative regulations.

6.2 County's Contract Manager

The responsibilities of the County's Contract Manager include:

- meeting with Contractor's Project Manager on a regular basis; and
- inspecting any and all tasks, deliverables, goods, services, or other work provided by or on behalf of Contractor.

The County's Contract Manager is not authorized to make any changes in any of the terms and conditions of this Contract and is not authorized to further obligate County in any respect whatsoever.

6.3 County's Contract Monitor

The County's Contract Monitor is responsible for overseeing the day-to-day administration of this Contract. The County Contract Monitor reports to the County's Contract Manager.

The County's Contract Monitor is not authorized to make any changes in any of the terms and conditions of this Contract and is not authorized to further obligate County in any respect whatsoever.

7.0 ADMINISTRATION OF CONTRACT – CONTRACTOR

7.1 Contractor's Project Manager

The Contractor's Project Manager is the designated officer or employee responsible for all actions needed to administer the Contract.

The Contractor's Project Manager must have three (3) years of experience in supervising or managing California workers' compensation medical and disability management and cost containment services.

Responsibilities of the Contractor Project Manager include:

- 7.1.1 Contractor's Project Manager is designated in Exhibit N. The Contractor shall notify the County in writing of any change in the name or address of the Contractor's Project Manager.
- 7.1.2 Contractor's Project Manager shall be responsible for Contractor's and any subcontractor's day-to-day activities as related to this Contract and shall coordinate with County's Contract Manager and Contract Monitor on a regular basis.
- 7.1.3 The Contractor shall provide upon award of contract, the name, address and telephone number of the Project Manager or designee who shall be responsible for administering the contract.

7.1.4 The Project Manager or designee approved by the County shall be responsible for the daily administration and supervision of program operations and have full authority to act for the Contractor on all contract matters relating to daily operations.

7.2 Approval of Contractor's Staff

CCA has the absolute right to approve or disapprove of Contractor's Project Manager and all Contractor staff dedicated to performing work under this Contract.

7.3 Confidentiality

The Contractor shall maintain the confidentiality of all its records, including but not limited to billing, County records, case records and patients records, under this Contract in accordance with all applicable federal, State or local laws, ordinances, regulations and directives relating to confidentiality.

The Contractor shall inform all of its officers, employees, agents and subcontractors providing services hereunder of the confidentiality provisions of this Contract. The Contractor shall cause each employee performing services covered by this Contract to sign and adhere to the "Contractor Employee Acknowledgment and Confidentiality Agreement", Exhibit L1.

The Contractor shall cause each non-employee performing services covered by this Contract to sign and adhere to the "Contractor Non-Employee Acknowledgment and Confidentiality Agreement", Exhibit L2.

8.0 TERMS AND CONDITIONS

8.1 ASSIGNMENT AND DELEGATION

8.1.1 The assumption, delegation, or takeover of any of the Contractor's duties, responsibilities, obligations, or performance of same by any entity other than the Contractor, or the assumption, assignment, or takeover of any of the Contractor's rights by any entity other than the Contractor, whether through assignment, subcontract, delegation, merger, buyout, or any other mechanism, with or without consideration, for any reason whatsoever, shall occur only with the County's prior written approval.

8.1.2 Any unapproved assumption, assignment, delegation, or takeover of any of the Contractor's duties or rights shall be

null and void. Any attempted assumption, assignment, delegation, or takeover of any of the Contractor's duties or rights may be deemed a material breach of this Contract.

- 8.1.3 Any payment by County to any approved delegate or assignee on any claim under this Contract shall be deductible, at CCA's sole discretion, against the claims which the Contractor may have against the County.

8.2 SUBCONTRACTING

- 8.2.1 The requirements of this Contract may not be subcontracted by the Contractor without the advance written approval of the CCA. Any attempt by the Contractor to subcontract without the prior consent of the County may be deemed a material breach of this Contract.
- 8.2.2 If the Contractor desires to subcontract, the Contractor shall provide the following information promptly at the County's request:
- A description of the work to be performed by the subcontractor;
 - A draft copy of the proposed subcontract; and
 - Other pertinent information and/or certifications requested by the County.
- 8.2.3 The Contractor shall defend, indemnify and hold the County harmless with respect to the activities of each and every subcontractor in the same manner and to the same degree as if such subcontractor(s) were Contractor employees.
- 8.2.4 The Contractor shall remain fully responsible for all performances required of it under this Contract, including those that the Contractor has determined to subcontract, notwithstanding the County's approval of the Contractor's proposed subcontract.
- 8.2.5 The County's consent to subcontract shall not waive the County's right to prior and continuing approval of any and all personnel, including subcontractor employees, providing services under this Contract. The Contractor is responsible to notify its subcontractors of this County right.
- 8.2.6 The CCA is authorized to act for and on behalf of the County with respect to approval of any subcontract and subcontractor employees.
- 8.2.7 The Contractor shall be solely liable and responsible for all payments, other compensation, or unemployment and disability benefits to all subcontractors and their officers, employees, agents, and successors in interest arising

through services performed hereunder, notwithstanding the County's consent to subcontract.

- 8.2.8 The Contractor shall obtain certificates of insurance prior to performance of any work, which establish that the subcontractor maintains all the programs of insurance required by the County from each approved subcontractor. The Contractor shall ensure delivery of all such documents to Ann Rain, Chief Administrative Office, Occupational Health and Disability Management, 3333 Wilshire Boulevard, Suite 1000, Los Angeles, CA 90010 before any subcontractor employee may perform any work hereunder.

8.3 CHANGE NOTICES AND AMENDMENTS

- 8.3.1 County reserves the right to initiate Change Notices that do not affect the scope, term, contract sum or payments. All such changes shall be accomplished with an executed Change Notice signed by the Contractor and by the CCA. The CCA is authorized to enter into and execute such change notices.

- 8.3.2 Upon mutual agreement between CCA and Contractor, the Contractor shall assume County workload from other medical and disability management service providers at the same terms as this Contract. The CCA is authorized to enter into and execute such amendment.

- 8.3.3 For any revision to this Contract that affects the scope of work, period of performance, payments, or any term or condition of this Contract, except for those exceptions specifically provided for in this Contract, a negotiated amendment to this Contract shall be executed by the County Board of Supervisors and the Contractor.

8.3.4 Facsimile Representations

The County and the Contractor hereby agree to regard facsimile representations of original signatures of authorized offices of each party, when appearing in appropriate places on the Change Notices and Amendments prepared pursuant to Sub-paragraph 8.3 and 4.0 and received via communications facilities, as legally sufficient evidence that such original signatures have been affixed to Change Notices to this Contract, such that the parties need not follow up facsimile transmissions of such documents with subsequent (non-facsimile) transmission of "original" versions of such documents.

8.4 COMPLIANCE WITH APPLICABLE LAW

8.4.1 The Contractor shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, and directives, and all provisions required thereby to be included in this Contract are hereby incorporated herein by reference.

8.4.2 The Contractor shall defend, indemnify and hold harmless the County from and against any and all liability, damages, costs, and expenses, including, but not limited to, defense costs and attorneys' fees, arising from or related to any violation on the part of the Contractor or its employees, agents, or subcontractors of any such laws, rules, regulations, ordinances, or directives.

8.5 COMPLIANCE WITH CIVIL RIGHTS LAWS

The Contractor hereby assures that it will comply with Subchapter VII of the Civil Rights Act of 1964, 42 USC Sections 2000 (e) (1) through 2000 (e) (17), to the end that no person shall, on the grounds of race, creed, color, sex, religion, ancestry, age, condition of physical handicap, marital status, political affiliation, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract. The Contractor shall comply with Exhibit I - Contractor's EEO Certification.

8.6 CONFLICT OF INTEREST

8.6.1 No County employee whose position with the County enables such employee to influence the award of this Contract or any competing Contract, and no spouse or economic dependent of such employee, shall be employed in any capacity by the Contractor or have any other direct or indirect financial interest in this Contract. No officer or employee of the Contractor who may financially benefit from the performance of work hereunder shall in any way participate in the County's approval, or ongoing evaluation, of such work, or in any way attempt to unlawfully influence the County's approval or ongoing evaluation of such work.

8.6.2 The Contractor shall comply with all conflict of interest laws, ordinances, and regulations now in effect or hereafter to be enacted during the term of this Contract. The Contractor warrants that it is not now aware of any facts that create a conflict of interest. If the Contractor hereafter becomes aware of any facts that might reasonably be expected to create a conflict of interest, it shall immediately make full

written disclosure of such facts to the County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances.

8.7 CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/OR RE-EMPLOYMENT LIST

Should the Contractor require additional or replacement personnel after the effective date of this Contract to perform the services set forth herein, the Contractor shall give first consideration for such employment openings to qualified, permanent County employees who are targeted for layoff or qualified, former County employees who are on a re-employment list during the life of this Contract.

8.8 CONSIDERATION OF HIRING GAIN/GROW PROGRAM PARTICIPANTS

Should the Contractor require additional or replacement personnel after the effective date of this Contract, the Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet the Contractor's minimum qualifications for the open position. For this purpose, consideration shall mean that the Contractor will interview qualified candidates. The County will refer GAIN/GROW participants by job category to the Contractor.

In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

8.9 CONTRACTOR'S RESPONSIBILITY AND DEBARMENT

8.9.1 Responsible Contractor

A responsible Contractor is a Contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the Contract. It is the County's policy to conduct business only with responsible Contractors.

8.9.2 Chapter 2.202 of the County Code

The Contractor is hereby notified that, in accordance with Chapter 2.202 of the County Code, if the County acquires information concerning the performance of the Contractor on this or other Contracts which indicates that the Contractor is not responsible, the County may, in addition to other remedies provided in the Contract, debar the Contractor from bidding on County Contracts for a

specified period of time not to exceed three (3) years, and terminate any or all existing Contracts the Contractor may have with the County.

8.9.3 Non-responsible Contractor

The County may debar a Contractor if the Board of Supervisors finds, in its discretion, that the Contractor has done any of the following: (1) violated any term of a Contract with the County, (2) committed any act or omission which negatively reflects on the Contractor's quality, fitness or capacity to perform a Contract with the County or any other public entity, or engaged in a pattern or practice which negatively reflects on same, (3) committed an act or offense which indicates a lack of business integrity or business honesty, or (4) made or submitted a false claim against the County or any other public entity.

8.9.4 Contractor Hearing Board

If there is evidence that the Contractor may be subject to debarment, the Department will notify the Contractor in writing of the evidence that is the basis for the proposed debarment and will advise the Contractor of the scheduled date for a debarment hearing before the Contractor Hearing Board.

The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. The Contractor and/or the Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a proposed decision, which shall contain a recommendation regarding whether the Contractor should be debarred, and, if so, the appropriate length of time of the debarment. If the Contractor fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, the Contractor may be deemed to have waived all rights of appeal.

A record of the hearing, the proposed decision, and any other recommendation of the Contractor Hearing Board shall be presented to the Board of Supervisors. The Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Hearing Board.

8.9.5 Subcontractors of Contractor

These terms shall also apply to Subcontractors of County Contractors.

8.10 CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO CHILD SUPPORT ENFORCEMENT

The Contractor acknowledges that the County places a high priority on the enforcement of child support laws and the apprehension of child support evaders. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "L.A.'s Most Wanted: Delinquent Parents" poster in a prominent position at the Contractor's place of business. The County's Child Support Services Department will supply the Contractor with the poster to be used.

8.11 CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

8.11.1 The Contractor acknowledges that the County has established a goal of ensuring that all individuals who benefit financially from the County through Purchase Order or Contract are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon the County and its taxpayers.

8.11.2 As required by the County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting the Contractor's duty under this Contract to comply with all applicable provisions of law, the Contractor warrants that it is now in compliance and shall during the term of this Contract maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and California Unemployment Insurance Code Section 1088.5, and shall implement all lawfully served Wage and Earnings Withholding Orders or Child Support Services Department Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

8.12 COUNTY'S QUALITY ASSURANCE PLAN

The County or its agent will evaluate the Contractor's performance under this Contract on not less than an annual basis. Such evaluation will include assessing the Contractor's compliance with all Contract terms and conditions and performance standards. Contractor deficiencies which the County determines are severe or continuing and that may place performance of the Contract in

jeopardy if not corrected will be reported to the Board of Supervisors. The report will include improvement/corrective action measures taken by the County and the Contractor. If improvement does not occur consistent with the corrective action measures, the County may terminate this Contract or impose other penalties as specified in this Contract.

8.13 EMPLOYMENT ELIGIBILITY VERIFICATION

The Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding the employment of aliens and others and that all its employees performing work under this Contract meet the citizenship or alien status requirements set forth in Federal and State statutes and regulations. The Contractor shall obtain, from all employees performing work hereunder, all verification and other documentation of employment eligibility status required by Federal and State statutes and regulations including, but not limited to, the Immigration Reform and Control Act of 1986, (P.L. 99-603), or as they currently exist and as they may be hereafter amended. The Contractor shall retain all such documentation for all covered employees for the period prescribed by law. The Contractor shall indemnify, defend, and hold harmless, the County, its agents, officers, and employees from employer sanctions and any other liability which may be assessed against the Contractor or the County or both in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Contract.

8.14 FAIR LABOR STANDARDS

The Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act and shall indemnify, defend, and hold harmless the County and its agents, officers, and employees from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs, and attorneys' fees arising under any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by the Contractor's employees for which the County may be found jointly or solely liable.

8.15 GOVERNING LAW, JURISDICTION, AND VENUE

This Contract shall be governed by, and construed in accordance with, the laws of the State of California. The Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Contract and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

8.16 INDEPENDENT CONTRACTOR STATUS

- 8.16.1 This Contract is by and between the County and the Contractor and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the County and the Contractor. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.
- 8.16.2 The Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Contract all compensation and benefits. The County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of the Contractor.
- 8.16.3 The Contractor understands and agrees that all persons performing work pursuant to this Contract are, for purposes of Workers' Compensation liability, solely employees of the Contractor and not employees of the County. The Contractor shall be solely liable and responsible for furnishing any and all Workers' Compensation benefits to any person as a result of any injuries arising from or connected with any work performed by or on behalf of the Contractor pursuant to this Contract.

8.17 INDEMNIFICATION

The Contractor, and any and all subcontractors, shall indemnify, defend and hold harmless the County, its special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with the Contractor's, or any and all subcontractors', acts and/or omissions, respectively, arising from and/or relating to this Contract.

8.18 GENERAL INSURANCE REQUIREMENTS

Without limiting the Contractor's indemnification of the County, its special Districts, elected and appointed officers, employees, and agents and during the term of this Contract, the Contractor shall provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Contract. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by the County. Such coverage shall be provided and maintained at the Contractor's own expense.

8.18.1 Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to the County shall be delivered to Ann Rain, Chief Administrative Office, Occupational Health and Disability Management, 3333 Wilshire Boulevard, Suite 1000, Los Angeles, CA 90010 prior to commencing services under this Contract. Such certificates or other evidence shall:

- Specifically identify this Contract;
- Clearly evidence all coverages required in this Contract;
- Contain the express condition that the County is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance;
- Include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, its officials, officers and employees as insureds for all activities arising from this Contract; and
- Identify any deductibles or self-insured retentions for the County's approval. The County retains the right to require the Contractor to reduce or eliminate such deductibles or self-insured retentions as they apply to the County, or, require the Contractor to provide a bond or Letter of Credit guaranteeing payment of all such retained losses and related costs, including, but not limited to, expenses or fees, or both, related to investigations, claims administrations, and legal defense. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

8.18.2 Insurer Financial Ratings: Insurance is to be provided by an insurance company acceptable to the County with an A.M. Best rating of not less than A:VII unless otherwise approved by the County.

8.18.3 Failure to Maintain Coverage: Failure by the Contractor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to the County, shall constitute a material breach of the Contract upon which the County may immediately terminate or suspend this Contract. The County, at its sole option, may obtain damages from the Contractor resulting from said breach. Alternatively, the County may purchase such required

insurance coverage, and without further notice to the Contractor, the County may deduct from sums due to the Contractor any premium costs advanced by the County for such insurance.

8.18.4 Notification of Incidents, Claims or Suits: Contractor shall report to the County:

- Any accident or incident relating to services performed under this Contract which involves injury or property damage which may result in the filing of a claim or lawsuit against the Contractor and/or the County. Such report shall be made in writing within 24 hours of occurrence.
- Any third party claim or lawsuit filed against the Contractor arising from or related to services performed by the Contractor under this Contract.
- Any injury to a Contractor employee that occurs on County property. This report shall be submitted on a County "Non-employee Injury Report" to the County Contract Manager.
- Any loss, disappearance, destruction, misuse, or theft of any kind whatsoever of County property, monies or securities entrusted to the Contractor under the terms of this Contract.

8.18.5 Compensation for County Costs: In the event that the Contractor fails to comply with any of the indemnification or insurance requirements of this Contract, and such failure to comply results in any costs to the County, the Contractor shall pay full compensation for all costs incurred by the County.

8.18.6 Insurance Coverage Requirements for Subcontractors: The Contractor shall ensure any and all subcontractors performing services under this Contract meet the insurance requirements of this Contract by either:

- The Contractor providing evidence of insurance covering the activities of subcontractors, or
- The Contractor providing evidence submitted by subcontractors evidencing that subcontractors maintain the required insurance coverage. The County retains the right to obtain copies of evidence of subcontractor insurance coverage at any time.

8.19 INSURANCE COVERAGE REQUIREMENTS

8.19.1 General Liability insurance written on ISO policy form CG 00 01 or its equivalent with limits of not less than the following:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$2 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

The additional insured endorsement shall be Form B20101185 or its equivalent as solely determined by the County Risk Management Branch.

8.19.2 Automobile Liability written on ISO policy form CA 00 01 or its equivalent with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all "owned", "hired" and "non-owned" vehicles, or coverage for "any auto".

8.19.3 Workers' Compensation and Employers' Liability insurance providing workers' compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which the Contractor is responsible. If the Contractor's employees will be engaged in maritime employment, coverage shall provide workers compensation benefits as required by the U.S. Longshore and Harbor Workers' Compensation Act, Jones Act or any other federal law for which the Contractor is responsible.

In all cases, the above insurance also shall include Employers' Liability coverage with limits of not less than the following:

Each Accident:	\$1 million
Disease - policy limit:	\$1 million
Disease - each employee:	\$1 million

8.19.4 Professional Liability insurance covering liability arising from any error, omission, negligent or wrongful act of the Contractor, its officers or employees with limits of not less than \$1 million per occurrence and \$2 million aggregate. The coverage also shall provide an extended two year reporting period commencing upon termination or cancellation of this Agreement.

8.19.5 Crime Coverage insurance with limits in an amount not less than indicated below covering against loss of money, securities, or other property referred to in this Agreement, and naming the County as loss payee.

Employee Dishonesty:	\$1,000,000
Forgery or Alteration:	\$1,000,000
Theft, Disappearance and Destruction:	\$1,000,000
Computer Fraud:	\$1,000,000
Burglary and Robbery	\$1,000,000

8.20 Performance Security Requirements: Such surety may be provided by one of the following forms and conditioned upon faithful performance and satisfactory completion of services by Contractor.

8.20.1 Performance Bond: A faithful performance bond in the sum of not less than \$718,750 payable to the County of Los Angeles and executed by a corporate surety licensed to transact business in the State of California, or,

Certificate of Deposit (CD) or Letter of Credit (LOC): A CD or an irrevocable LOC payable to the County upon demand in an amount not less than \$718,750. Such CD or LOC shall comply with minimum criteria and standards established by the County and be maintained throughout the term of the Agreement.

8.21 LICENSES, PERMITS, REGISTRATIONS AND CERTIFICATES

The Contractor shall obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations and certificates required by law, which are applicable to the performance of this Agreement, and shall further ensure that all of its officers, employees and agents who perform services hereunder obtain and maintain in effect during the term of this Agreement, all licenses, permits, registrations and certificates required by law which are applicable to their performance of services hereunder.

8.22 MOST FAVORED PUBLIC ENTITY

If the Contractor's prices decline, or should the Contractor at any time during the term of this Contract provide the same goods or services under similar quantity and delivery conditions to the State of California or any county, municipality, or district of the State at prices below those set forth in this Contract, then such lower prices shall be immediately extended to the County.

8.23 NONDISCRIMINATION IN EMPLOYMENT

8.23.1 The Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries, or holding companies are and shall be treated equally without regard

to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

- 8.23.2 The Contractor shall certify to, and comply with, the provisions of Exhibit I - Contractor's EEO Certification.
- 8.23.3 The Contractor shall take action to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- 8.23.4 The Contractor certifies and agrees that it will deal with its subcontractors, bidders, or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, or physical or mental disability, marital status, or political affiliation.
- 8.23.5 The Contractor certifies and agrees that it, its affiliates, subsidiaries, or holding companies shall comply with all applicable Federal and State laws and regulations to the end that no person shall, on the grounds of race, color, religion, ancestry, national origin, sex, age, physical or mental disability, marital status, or political affiliation, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Contract or under any project, program, or activity supported by this Contract.
- 8.23.6 The Contractor shall allow County representatives access to the Contractor's employment records during regular business hours to verify compliance with the provisions of this Sub-paragraph 8.23 when so requested by the County.
- 8.23.7 If the County finds that any provisions of this Sub-paragraph 8.23 have been violated, such violation shall constitute a material breach of this Contract upon which the County may terminate or suspend this Contract. While the County reserves the right to determine independently that the anti-discrimination provisions of this Contract have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal

Equal Employment Opportunity Commission that the Contractor has violated Federal or State anti-discrimination laws or regulations shall constitute a finding by the County that the Contractor has violated the anti-discrimination provisions of this Contract.

8.23.8 The parties agree that in the event the Contractor violates any of the anti-discrimination provisions of this Contract, the County shall, at its sole option, be entitled to the sum of Five Hundred Dollars (\$500) for each such violation pursuant to California Civil Code Section 1671 as liquidated damages in lieu of terminating or suspending this Contract.

8.24 NONEXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with Contractor. This Contract shall not restrict County from acquiring similar, equal or like goods and/or services from other entities or sources.

8.25 NOTICE OF DELAYS

Except as otherwise provided under this Contract, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Contract, that party shall, within one (1) day, give notice thereof, including all relevant information with respect thereto, to the other party.

8.26 NOTICE OF DISPUTES

The Contractor shall bring to the attention of the County Contract Manager and/or CCA any dispute between the County and the Contractor regarding the performance of services as stated in this Contract. If the County Contract Manager or CCA is not able to resolve the dispute, the CAO, or designee shall resolve it.

8.27 NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

The Contractor shall notify its employees, and shall require each subcontractor to notify its employees, that they may be eligible for the Federal Income Credit under the federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice No. 1015.

8.28 NOTICES

All notices or demands required or permitted to be given or made under this Contract shall be in writing and shall be hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as identified in Exhibits M, County's Administration and N, Contractor's Administration.

Addresses may be changed by either party giving ten (10) days' prior written notice thereof to the other party. The CAO shall have the authority to issue all notices or demands required or permitted by the County under this Contract.

8.29 PUBLIC RECORDS ACT

8.29.1 Any documents submitted by Contractor; all information obtained in connection with the County's right to audit and inspect Contractor's documents, books, and accounting records pursuant to Sub-paragraph 5.9 – Adjustment Pursuant to Audit and Record Retention Requirement; of this Contract; as well as those documents which were required to be submitted in response to the Request for Proposals (RFP) used in the solicitation process for this Contract, become the exclusive property of the County. All such documents become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential", or "proprietary". The County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law, or by an order to court of competent jurisdiction.

8.29.2 In the event the County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records, and/or contents of a bid marked "trade secret", "confidential", or "proprietary", the Contractor agrees to defend and indemnify the County from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act.

8.30 PUBLICITY

8.30.1 The Contractor shall not disclose any details in connection with this Contract to any person or entity except as may be otherwise provided hereunder or required by law. However, in recognizing the Contractor's need to identify its services and related clients to sustain itself, the County shall not inhibit the Contractor from publishing its role under this Contract within the following conditions:

- The Contractor shall develop all publicity material in a professional manner; or
- During the term of this Contract, the Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press

releases, feature articles, or other materials using the name of the County without the prior written consent of the CCA.

8.30.2 The Contractor may, without the prior written consent of County, indicate in its proposals and sales materials that it has been awarded this Contract with the County of Los Angeles, provided that the requirements of this Sub-paragraph 8.30 shall apply.

8.31 NOTICE WHEN 75% CONTRACT AUTHORIZATION INCURRED OR WITHIN SIX MONTHS FROM EXPIRATION OF TERM

8.31.1 Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred seventy-five percent (75%) of the total contract authorization under this Contract. Upon occurrence of this event, Contractor shall send written notification to the CCA at the address herein provided in Exhibit M.

8.31.2 Contractor shall notify CCA when this Contract is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, Contractor shall send written notification to CCA at the address herein provided in Exhibit M.

8.32 RECYCLED PAPER

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at the County landfills, the Contractor agrees to use recycled-content paper to the maximum extent possible on this Contract.

8.33 TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN CHILD SUPPORT COMPLIANCE

Failure of the Contractor to maintain compliance with the requirements set forth in Sub-paragraph 8.11 - Contractor's Warranty of Adherence to County's Child Support Compliance Program, shall constitute a default by the Contractor under this Contract. Without limiting the rights and remedies available to the County under any other provision of this Contract, failure to cure such default within 90 days of notice by the Los Angeles County Child Support Services Department shall be grounds upon which the Auditor-Controller or Board of Supervisors may terminate this Contract pursuant to Sub-paragraph 8.35 - Termination for Default.

8.34 TERMINATION FOR CONVENIENCE

8.34.1 This Contract may be terminated, in whole or in part, from time to time, when such action is deemed solely by the

County to be in its best interest. Termination of work hereunder shall be effected by delivery to the Contractor of a notice of termination specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective. The date upon which such termination becomes effective shall be no less than 90 (ninety) calendar days after the notice is sent. Said notice of termination shall be given by the CCA.

8.34.2 After receipt of a notice of termination and except as otherwise directed by the County, the Contractor shall:

- Stop work under this Contract on the date and to the extent specified in such notice, and
- Complete performance of such part of the work as shall not have been terminated by such notice.

8.34.3 Submit to the County, in the form and with the certifications as may be prescribed by the County, a termination claim and invoice. Such claim and invoice shall be submitted promptly, but not later than three (3) months from the effective date of termination. Upon failure of the Contractor to submit a termination claim and invoice within the time allowed, the County may determine on the basis of information available to the County, the amount, if any, due to the Contractor in respect to the termination and such determination shall be final. After such determination is made, the County shall pay the Contractor the amount so determined.

8.34.4 Subject to the provisions of the paragraph immediately above, the County and the Contractor shall negotiate an equitable amount to be paid to the Contractor by reason of the total or partial termination of work pursuant to this clause. Said amount may include a reasonable allowance for profit on work done but shall not include an allowance on work terminated. The County shall pay the agreed amount; subject to other limitations and provided that such amount shall not exceed the total funding obligated under this Agreement as reduced by the amount of payments otherwise made and as further reduced by the contract price of work not terminated.

8.34.5 For a period of five (5) years after final settlement under this Contract, the Contractor shall make available to the County, at all reasonable times, all its books, records, documents, or other evidence bearing on the costs and expenses of the Contractor under this Contract with respect to the termination of work hereunder. All such material shall be

maintained by the Contractor at a location in Los Angeles County, provided that if any such material is located outside Los Angeles County, then, at the County's option, the Contractor shall pay the County for travel, per diem, and other costs incurred by the County to examine, audit, excerpt, copy, or transcribe such material at such other location.

8.35 TERMINATION FOR DEFAULT

8.35.1 The County may, by written notice to the Contractor, terminate the whole or any part of this Contract, if, in the judgment of the CCA:

- Contractor has materially breached this Contract;
- Contractor fails to timely provide and/or satisfactorily perform any task, deliverable, service, or other work required either under this Contract; or
- Contractor fails to demonstrate a high probability of timely fulfillment of performance requirements under this Contract, or of any obligations of this Contract and in either case, fails to demonstrate convincing progress toward a cure within ten (10) working days (or such longer period as the County may authorize in writing) after receipt of written notice from the County specifying such failure.

8.35.2 In the event that the County terminates this Contract in whole or in part as provided in Sub-paragraph 8.35.1, the County may procure, upon such terms and in such manner as the County may deem appropriate, goods and services similar to those so terminated. The Contractor shall be liable to the County for any and all excess costs incurred by the County, as determined by the County, for such similar goods and services. The Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this sub-paragraph.

8.35.3 Except with respect to defaults of any subcontractor, the Contractor shall not be liable for any such excess costs of the type identified in Sub-paragraph 8.35.2 if its failure to perform this Contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not limited to: acts of God or of the public enemy, acts of the County in either its sovereign or contractual capacity, acts of Federal or State governments in their sovereign capacities, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every

case, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any such excess costs for failure to perform, unless the goods or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule. As used in this Sub-paragraph 8.35.3, the terms "subcontractor" and "subcontractors" mean subcontractor(s) at any tier.

- 8.35.4 If, after the County has given notice of termination under the provisions of this Sub-paragraph 8.35, it is determined by the County that the Contractor was not in default under the provisions of this Sub-paragraph 8.35, or that the default was excusable under the provisions of Sub-paragraph 8.35.3, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Sub-paragraph 8.34 - Termination for Convenience.
- 8.35.5 The rights and remedies of the County provided in this Sub-paragraph 8.35 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.36 TERMINATION FOR IMPROPER CONSIDERATION

- 8.36.1 The County may, by written notice to the Contractor, immediately terminate the right of the Contractor to proceed under this Contract if it is found that consideration, in any form, was offered or given by the Contractor, either directly or through an intermediary, to any County officer, employee, or agent with the intent of securing this Contract or securing favorable treatment with respect to the award, amendment, or extension of this Contract or the making of any determinations with respect to the Contractor's performance pursuant to this Contract. In the event of such termination, the County shall be entitled to pursue the same remedies against the Contractor as it could pursue in the event of default by the Contractor.
- 8.36.2 The Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to the County manager charged with the supervision of the

employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861.

- 8.36.3 Among other items, such improper consideration may take the form of cash, discounts, service, the provision of travel or entertainment, or tangible gifts.

8.37 TERMINATION FOR INSOLVENCY

- 8.37.1 The County may terminate this Contract forthwith in the event of the occurrence of any of the following:

- Insolvency of the Contractor. The Contractor shall be deemed to be insolvent if it has ceased to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the Federal Bankruptcy Code and whether or not the Contractor is insolvent within the meaning of the Federal Bankruptcy Code;
- The filing of a voluntary or involuntary petition regarding the Contractor under the Federal Bankruptcy Code;
- The appointment of a Receiver or Trustee for the Contractor; or
- The execution by the Contractor of a general assignment for the benefit of creditors.

- 8.37.2 The rights and remedies of the County provided in this Subparagraph 8.37 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.38 TERMINATION FOR NON-ADHERENCE OF COUNTY LOBBYIST ORDINANCE

The Contractor, and each County Lobbyist or County Lobbying firm as defined in County Code Section 2.160.010 retained by the Contractor, shall fully comply with the County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of the Contractor or any County Lobbyist or County Lobbying firm retained by the Contractor to fully comply with the County's Lobbyist Ordinance shall constitute a material breach of this Contract, upon which the County may in its sole discretion, immediately terminate or suspend this Contract.

8.39 TERMINATION FOR NON-APPROPRIATION OF FUNDS

Notwithstanding any other provision of this Contract, the County shall not be obligated for the Contractor's performance hereunder or by any provision of this Contract during any of the County's future fiscal years unless and until the County's Board of

Supervisors appropriates funds for this Contract in the County's Budget for each such future fiscal year. In the event that funds are not appropriated for this Contract, then this Contract shall terminate as of June 30 of the last fiscal year for which funds were appropriated. The County shall notify the Contractor in writing of any such non-allocation of funds at the earliest possible date.

8.40 BUDGET REDUCTIONS

In the event of significant shortfalls in the County's budget for any fiscal year, the County reserves the right to renegotiate its payment obligation under this Contract during such period of budget shortfall or to terminate this contract. The County shall give the Contractor 30 calendar day written notice of its intention to exercise its right to renegotiate its payment obligation or terminate this Contract pursuant to this paragraph.

8.41 RECORDS AND REPORTS

Upon expiration of this Contract, or in the event of cancellation, on the demand of the CCA, all documents, reports, records, case files, correspondence and work product relating to Contractor's operations under this Contract shall be returned to the CCA or to such other location in the County as the CCA may direct. It is understood that all of the materials described above are the property of the County and not of the Contractor herein.

8.42 VALIDITY

If any provision of this Contract or the application thereof to any person or circumstance is held invalid, the remainder of this Contract and the application of such provision to other persons or circumstances shall not be affected thereby.

8.43 WAIVER

No waiver by the County of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this Sub-paragraph 8.43 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

8.44 WARRANTY AGAINST CONTINGENT FEES

8.44.1 The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Contract upon any Contract or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling

agencies maintained by the Contractor for the purpose of securing business.

8.44.2 For breach of this warranty, the County shall have the right to terminate this Contract and, at its sole discretion, deduct from the Contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

8.45 COMPLIANCE WITH JURY SERVICE PROGRAM

8.45.1 Jury Service Program

This Contract is subject to the provisions of the County's ordinance entitled Contractor Employee Jury Service ("Jury Service Program") as codified in Sections 2.203.010 through 2.203.090 of the Los Angeles County Code.

8.45.2 Written Employee Jury Service Policy

8.45.2.1 Unless Contractor has demonstrated to the County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees shall receive from the Contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with the Contractor or that the Contractor deduct from the Employee's regular pay the fees received for jury service.

8.45.2.2 For purposes of this Section, "Contractor" means a person, partnership, corporation or other entity which has a contract with the County or a subcontract with a County contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts. "Employee" means any California resident who is a full time employee of Contractor. "Full time" means 40 hours or more worked per week, or a

lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by the County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of 90 days or less within a 12-month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for the County under the Contract, the subcontractor shall also be subject to the provisions of this Section. The provisions of this Section shall be inserted into any such subcontract agreement and a copy of the Jury Service Program shall be attached to the agreement.

8.45.2.3 If Contractor is not required to comply with the Jury Service Program when the Contract commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. The County may also require, at any time during the Contract and at its sole discretion, that Contractor demonstrate to the County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.

8.45.2.4 Contractor's violation of this Section of the Contract may constitute a material breach of the Contract. In the event of such material breach, County may, in its sole discretion, terminate the Contract and/or bar Contractor from the award of future County contracts for a period of time consistent with the seriousness of the breach.

8.46 NO PAYMENT FOR SERVICES PROVIDED FOLLOWING EXPIRATION/TERMINATION OF AGREEMENT

Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any service provided by Contractor after the expiration or other termination of this Contract. Should Contractor receive any such payment it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Contract shall not constitute a waiver of County's right to recover such payment from Contractor. This provision shall survive the expiration or other termination of this Contract.

8.47 AUTHORIZATION WARRANTY

The Contractor represents and warrants that the person executing this Contract for the Contractor is an authorized agent who has actual authority to bind the Contractor to each and every term, condition, and obligation of this Contract and that all requirements of the Contractor have been fulfilled to provide such actual authority.

8.48 NOTICE TO EMPLOYEES REGARDING THE SAFELY SURRENDERED BABY LAW

The Contractor shall notify and provide to its employees, and shall require each subcontractor to notify and provide to its employees, a fact sheet regarding the Safely Surrendered Baby Law, its implementation in Los Angeles County, and where and how to safely surrender a baby. The fact sheet is set forth in Exhibit R of this Contract and is also available on the Internet at www.babysafela.org for printing purposes.

8.49 CONTRACTOR'S ACKNOWLEDGMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

The Contractor acknowledges that the County places a high priority on the implementation of the Safely Surrendered Baby Law. The Contractor understands that it is the County's policy to encourage all County Contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at the Contractor's place of business. The Contractor will also encourage its Subcontractors, if any, to post this poster in a prominent position in the Subcontractor's place of business. The County Department of Children and Family Services will supply the Contractor with the poster to be used.

8.50 INTERPRETATION

This Contract shall be governed by and construed in accordance with the law of the State of California. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Contract.

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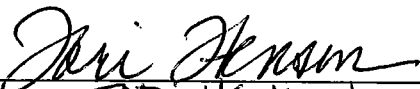
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IN WITNESS WHEREOF, Contractor has executed this Contract, or caused it to be duly executed and the County of Los Angeles, by order of its Board of Supervisors has caused this Contract to be executed on its behalf by the Chair of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

CONTRACTOR

By 
Name TORI HENSON
Title SR.V.P. BUSINESS DEVELOPMENT

COUNTY OF LOS ANGELES

By _____
Chair, Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS
Executive Officer-Clerk
of the Board of Supervisors

By _____

APPROVED AS TO FORM:

Lloyd W. Pellman
County Counsel

By 
Principal Deputy County Counsel

9/9/03

g/med and dis/Appendix A Contract4 – DIVERSIFIED

EXHIBIT A

STATEMENT OF WORK

WORKERS' COMPENSATION

MEDICAL AND DISABILITY MANAGEMENT

AND COST CONTAINMENT SERVICES

EXHIBIT A - STATEMENT OF WORK

WORKERS' COMPENSATION MEDICAL AND DISABILITY MANAGEMENT AND COST CONTAINMENT SERVICES

SECTION I – DEFINITIONS

1.0 DEFINITIONS

The following definitions apply to this Statement of Work describing the major responsibilities and duties of the County and the Contractor.

1.1 ADDENDUM

A document added to or supplanting portions of this Request For Proposal or a document added to or supplanting portions of the proposal submitted by the Contractor.

1.2 BOARD OF SUPERVISORS

The governing and legislative body of the County. It is composed of five elected officials.

1.3 CHIEF ADMINISTRATIVE OFFICER (CAO)

The Chief Administrative Officer of the County of Los Angeles.

1.4 CONTRACT

The written agreement covering the performance of the work and the furnishing of labor, materials and equipment in the performance of the work.

1.5 CONTRACT START DATE

The date that the Contractor begins work (the start of the basic terms of the contract).

1.6 COUNTY

The County is the governmental entity, the County of Los Angeles, its employees, officers, and officials.

1.7 COUNTY'S CONTRACT ADMINISTRATOR

The County's Contract Administrator (CCA) is the Assistant Division Chief, Risk Management Branch, or his/her duly authorized designee.

1.8 COUNTY COUNSEL

The governmental office of Los Angeles County providing legal counsel and related services to County officers and departments.

1.9 CONTRACTOR'S PROJECT MANAGER

The Contractor's Project Manager is the designated officer or employee responsible for all actions needed to administer the contract.

1.10 GENCOMP

The County's current workers' compensation computer system. This system includes on-line input of claims and litigation data including all payment and salary continuation authorizations. The County Auditor-Controller issues all warrants from computerized files generated by GENCOMP.

1.11 HOURS/DAYS OF WORK

The Contractor shall be required to provide all services Monday through Friday from 8:30 a.m. until 5:30 p.m. The Contractor is not required to provide services on County-recognized holidays. The County's Contract Monitor will provide a list of the County holidays to the Contractor at the time the Contract is approved, and annually, at the beginning of the calendar year.

1.12 INDEMNITY OR DISABILITY CASE

A claim involving one or more of the following: temporary disability due, ratable permanent disability anticipated, death of the claimant, application for adjudication of claim filed, medical costs over \$3,500, benefits due more than six months after opening of case, and designation by the Claims Examiner.

1.13 MEDICAL-ONLY CASE

A non-litigated claim involving only medical payments which are not expected to exceed three thousand five hundred dollars (\$3,500). Indemnity payments are not anticipated.

1.14 QUALITY CONTROL PLAN

This term shall mean all measures taken by the Contractor to assure that the quality of an end product or service will meet the contract requirements regarding timeliness, accuracy, appearance, completeness and consistency.

EXHIBIT A - STATEMENT OF WORK

WORKERS' COMPENSATION MEDICAL AND DISABILITY MANAGEMENT AND COST CONTAINMENT SERVICES

SECTION II – SCOPE OF WORK

1.0 SCOPE OF WORK

The Contractor shall take all necessary steps to reduce medical and disability costs, increase productivity and enhance the quality and the level of the County's medical and disability management program.

The Contractor shall provide workers' compensation medical and disability management services for all existing claims as well as all new claims reported during the contract period for designated County TPA's including, but not limited to:

1.1 Program Development

- 1.1.1 Contractor must have access to legal, technical and other staff who routinely reviews the medical and disability management process to ensure compliance with State and Federal laws and regulations.
- 1.1.2 Periodically review procedures and practices with County personnel to ensure that the County's medical and disability management program is in compliance with State and Federal requirements as well as with sound workers' compensation claims administration practices.
- 1.1.3 Provide assistance in changing County policy and procedures to implement legislative changes or State rules and regulations which impact the County's medical and disability management program.

1.2 24-hour Telephonic Reporting of Injuries (all claims)

Provide a 24 hour, 7 days per week toll free telephone number for reporting of injuries by County departments. This service must include the preparation of the County's department-specific DWC 5020 and the electronic transmitting of these data, within 24 hours of receipt, to the appropriate third party administrator and copies of the form to any designated County personnel. The County will provide to the Contractor, on a regular basis, employee data that the Contractor must utilize to populate the data screens for completion of 5020s at no cost to the County.

Performance standard: 100% of 5020s will be transmitted within 24 hours of receipt. Performance Measure: On a monthly basis Contractor will provide a log of all reports (5020s) taken, including date and time taken, and date and time transmitted to the TPA's and designated department personnel.

1.3 Medical Case Management

Provide medical case managers to maintain contact with employee, doctor, adjuster and employer to control medical utilization, obtain enhanced injured employee compliance with optimal treatment protocols and expedite return to work. The type of medical case management whether telephonic or on-site will be determined by the Contractor, with adjuster concurrence, at the time of referral. Provide utilization review (pre-cert) for all employees in medical case management. Case managers are required to be Registered Nurses with one year's experience in workers' compensation case management. A reasonable percentage of Contractor's case managers must be bilingual.

Actively coordinate health care services by providing case direction and promoting early resolution to individuals. The goal is to return the employee to work in the employee's own job, a modified job, or the highest level of functioning as soon as possible. A nurse or physician must coordinate and monitor the care plan, work with the attending physician, Department Return to Work Coordinator, Vocational Rehabilitation Coordinator, claims examiner, the patient and/or the patient's family and other health care team members to ensure that medical expenditures are necessary and appropriate and that quality care is provided to the patient. Also, coordinate with the County's Short and Long Term Disability TPA to make use of the best resources from both programs in the case management process. Telephonic case management must comply with California workers' compensation utilization review regulations.

All cases will be referred to case management by the TPA adjusters after approval by a County QAE Monitor.

Performance Standard: For all cases assigned provide initial report describing activities, contact and plan of action including estimated savings within seven (7) working days of assignment. Performance Measure: Listing of all cases assigned that month and copy of initial report.

All case managers (and utilization review personnel) must have the ability, via contractor-provided hardware, to electronically interface in real time and to enter case notes into the County's workers' compensation computer system.

The medical case manager shall submit an initial case assessment to the TPA within 48 hours of the initial referral, and to also submit written status report to the TPA on each open claim at 30-day intervals.

Cases for which the Contractor has accrued 20 hours of billable time will be referred to the County for review. Contractor shall not accrue additional time without authorization from the County.

Performance Standard: For all cases open greater than 20 hours provide a breakdown of actual savings and estimated savings and estimated cost of services to closure. Performance Measure: Report of all cases over 20 billable hours.

The medical case manager should be alert to opportunities for improved safety at the job sites, as well as identifying potential third party liability for an occupational injury. The contractor shall provide a quarterly report to the County identifying the specific safety issues identified and indicating those cases having third party involvement.

Case managers may also be assigned to County auto or general liability cases by the risk management liability TPA at the same rate of pay contracted herein.

The on-site medical case manager will meet with the patient and, as necessary with providers, claims administrators and employer to determine the best medical direction for achieving optimal case resolution. On-site case management must comply with California workers' compensation utilization review regulations. The on-site case manager shall submit written case management status activity reports at 30-day intervals or more frequently if the case warrants. Reports must include description of all nurse case manager activities during the reporting period.

All on-site medical case managers shall have, at a minimum, a BSN and three years experience in medical case management of workers' compensation cases. A significant percentage of Contractor's case managers should be bilingual.

1.4 Medical Bill Review (all claims)

Review medical bills for compliance with the California Official Medical Fee Schedule, reasonableness and PPO discounts. Identify and correct fee schedule excesses, duplicate charges, billing infractions, and ability to unbundled service codes as needed to achieve savings. Bill review must be integrated with the County's bill payment system (see 1.16.1.1 below). Contractor will process all billings within five (5) business days of receipt

and the County will not be charged for identification of duplicate billings. Contractor must be able to provide on-site bill review personnel at the TPA's if deemed advantageous by County and TPA's at Contractor's own expense. Such Contractor personnel must be online with Contractor's bill review system.

Contractor shall prepare and send, at Contractor's expense, an explanation of review for each bill reviewed to the medical provider and to the County TPA. The explanation of review shall include the notices and reasoning required to be provided by the employer or TPA to the medical provider if the bill is contested.

Contractor shall identify providers with an above average number of billing errors and address them with the provider(s) to prevent future errors. Contractor will provide a quarterly report identifying these providers.

Contractor is to load all County payment history data available from prior contractor regardless of amount of data or payment date at no cost to County.

1.5 Medical/Legal Bill Review

Review all Medical/Legal bills in accordance with DWC guidelines, for compliance with the California Medical/Legal Fee Schedule. Read medical-legal reports to evaluate the correct reimbursement levels. Identify and correct fee schedule excesses, duplicate charges, and billing infractions.

Contractor shall prepare and send, at Contractor's expense, an explanation of review for each bill reviewed to the medical provider and to the County TPA. The explanation of review shall include the notices and reasoning required to be provided by the employer or TPA to the medical provider if the bill is contested.

Contractor shall identify providers with an above average number of billing errors and address them with the provider(s) to prevent future errors.

1.6 Pharmacy Bill Review

Review all pharmacy bills for reasonableness pursuant to the California Official Medical Fee Schedule. Identify and correct fee schedule excesses, duplicate charges, and billing infractions. The Contractor must have a prescription management approach, with emphasis on management of long-term lost time cases.

Contractor shall prepare and send, at Contractor's expense, an explanation of review for each bill reviewed to the medical provider and to the County TPA. The explanation of review shall include the notices and reasoning required to be provided by the employer or TPA to the medical provider if the bill is contested.

Contractor shall identify pharmacies with an above average number of billing errors and address them with the pharmacies to prevent future errors. Contractor will provide above information to County in a quarterly report.

1.7 Vocational Rehabilitation Fee Review

Review all vocational rehabilitation bills for reasonableness pursuant to the California Official Vocational Rehabilitation Fee schedule. Identify and correct fee schedule excesses, duplicate charges, and billing infractions. Track multiple billings for the same claim to assure the overall cap is not exceeded. The County will not be charged for identification of duplicate billings.

Bill Review Performance Standard: Contractor to process all billings within 10 business days. Performance measure: Monthly billing time lag report tracking length of time bills are processed.

1.8 Hospital PPO

Provide a preferred provider network of hospitals that agree to provide quality medical services at substantial savings from the California Official Medical Fee Schedule and to abide by the PPO's utilization review guidelines. Where PPO is circumvented, enter into negotiation to secure the best possible price for the County (see Subsection 1.12).

1.9 Physician PPO

Provide a contracted preferred provider network of physicians and industrial clinics who agree to work with the County's return-to-work programs, to refer only to other network providers, to communicate timely and to abide by the PPO's utilization review guidelines. Network physicians must agree to accept the California Official Medical Fee Schedule amounts or a lesser PPO-negotiated fee as payment in full. Contractor must be willing to make additions to network providers at the request of Los Angeles County, providing the credentialing processes can be met. The Contractor is to provide monthly, quarterly and annual savings reports that clearly demonstrate PPO penetration and utilization rates by specialty.

The Contractor shall provide a description of the Physician PPO certification process. Additional information shall be provided that specifies the frequency that a physician is reviewed and the percentage of panel physicians that are cited each year for non-compliance.

PPO Performance standards: Contractor will obtain a minimum savings after bill review of 35% on PPO billings. Performance measure: Monthly report of PPO Savings after bill review.

1.10 Utilization Review (UR) Hospital In-Patient Services - Prospective (pre-certification)

As part of the telephonic medical case management or on-site medical case management or as requested by the workers' compensation third party administrator (see Section 1.3) review all hospital admissions for the medical necessity of inpatient care. If possible, the review is performed prior to admission. Persons conducting UR must have an RN and one year experience in UR. Must comply with California workers' compensation utilization review regulations.

Performance Standard: At least 10% increase in PPO utilization through referral compared with prior year. Performance Measure: Monthly PPO penetration report.

1.11 UR Hospital In-Patient Services - Concurrent

As part of the telephonic medical case management or on-site medical case management or as requested by the workers' compensation third party administrator (see Section 1.3) review all hospital admissions for the medical necessity of inpatient care. Monitor all hospital in-patient services during the entire hospital stay. Professional reviewers should facilitate the patient's discharge as soon as medically advisable and ensure after-care needs are met. Persons conducting UR must have an RN and one year experience in UR. Must comply with California workers' compensation utilization review regulations.

1.12 UR Hospital In-Patient Services – Retrospective/Hospital Bill Audit

Retrospectively review out-of-network, hospital bills and negotiate reductions on all hospital charges. Audit hospital bill against the medical record for accuracy, appropriateness of care and PPO discounts. Persons conducting UR must have an RN and one year experience in UR. Must comply with California workers' compensation utilization review regulations.

1.13 UR Out-Patient Medical Services (pre-certification)

As part of the telephonic medical case management or on-site medical case management (see Subsection 1.3) or as requested by the workers' compensation third party administrator, monitor provider utilization by comparing the frequency and duration of care with diagnosis-specified treatment guidelines. Complete prospective review of surgical procedures, chiropractic procedures and physical therapy procedures (in excess of 12 visits or 4 weeks duration), for medical necessity. Persons conducting UR must have an RN and one year experience in UR. Must comply with California workers' compensation utilization review regulations.

UR Performance Standard: Savings of at least 40% will be achieved on all medical treatment not subject to fee schedule or PPO discount.
Performance Measure: Quarterly report of all bills not subject to fee schedule or PPO discount and amount of savings.

1.14 Medical Panels

Provide a subset panel of PPO physicians experienced in workers' compensation and medical facilities to be utilized for the initial treatment of employees and a subset panel of PPO physicians to be used for treatment requiring long-term treatment or specialty care evaluation. Maintain up-to-date medical panels. Provide copies of initial treating panel to County departments. Provide copies of specialty panel to TPA's. Do not include any providers in your network that do not provide workers' compensation services.

Performance Standard: Medical Panel of workers' compensation physicians and facilities will be provided to the departments at reasonable intervals, not to exceed 6 months.

1.15 Coordinated Claim Handling

Coordinate short- and long-term disability claim handling and clinical procedures to avoid duplicate expense to the County and duplicate documentation efforts to the employee.

1.16 Medical Bill Payments

Contractor shall input medical bills for payment by the County's workers' compensation computer system.

1.16.1

Bill Processing

Contractor's responsibilities include but are not limited to the following:

- 1.16.1.1 The Contractor shall provide an electronically transmitted computer file of reviewed bills for input into the County's workers' compensation computer system subject to approval by the CCA (see Technical Exhibit 3 for data format).
- 1.16.1.2 Prepare and send, at Contractor's expense, explanation of review for each bill to medical provider and County TPA. The Contractor will identify duplicate charges at no cost to the County and partial bills will be reviewed in accordance with Appendix B, Section II, Scope of Work, Provision 1.5. The Contractor will ensure that all bills will be reviewed in five (5) business days of receipt.
- 1.16.1.3 Contractor shall prepare and send, at Contractor's expense, an explanation of review for each bill reviewed to the medical provider and to the County TPA. The explanation of review shall include the notices and reasoning required to be provided by the employer or TPA to the medical provider if the bill is contested.

1.16.2

Provider Inquiries

- 1.16.2.1 Respond to medical provider inquiries concerning bill reviews.
- 1.16.2.2 Respond to medical provider appeals on UR determinations.

1.16.3

Attorney/TPA Inquiries/Appearances

- 1.16.3.1 At Contractor's expense provide expert witness for WCAB conferences and hearings involving bill reviews/UR determinations, provide a copy of any explanation of review to the County's attorney prior to the conference or hearing. All expert witnesses shall be knowledgeable about fee review.

- 1.16.3.2 Respond to County's attorney and/or TPA inquiries within one day concerning any specific bill review. At contractor's expense, provide a copy of any explanation of review to County's attorney upon request.

1.17 Pharmacy PPO

Contractor will provide an extensive pharmacy PPO network that will dispense prescribed medications to County injured workers. The network will be capable of screening out medications that are not prescribed to cure or relieve the effects of the accepted injury as described in Labor Code Sections 4600.1 and 4600.2. PPO must provide discount below pharmacy fee schedule. PPO network pharmacies shall dispense authorized medication directly to injured employees in the most convenient and expedient method possible, minimizing any delays. This might entail the usage of pharmacy cards, online orders, etc.

Pharmacy bills from PPO network must be placed into bill review system as non-reviewable for inclusion into medical payments computer file transmitted to County's workers' compensation computer.

As directed, Contractor will provide pharmaceuticals by mail.

2.0 SUMMARY OF OTHER RESPONSIBILITIES

2.1 Report Requirements

Prior to contract implementation, the Contractor and the CCA shall prepare a list of required reports and records, with time deadlines. The County reserves the right to final review and approval of the format on all reports, to request additional reports and/or request changes to existing reports, during the term of this Agreement. The reports required to be provided by the Contractor shall include, but are not limited to:

2.1.1 Monthly

Invoice which clearly indicates that the PPO savings are the savings amounts realized after the California Medical Fee Schedule has been applied to the amounts charged for medical services.

Bill review status report

Turnaround time/lag report

Case Management reports that include billable hours per case (refer to Subsection 1.3)

Savings reports with PPO penetration

Report of medical provider additional recommendations
Provider utilization report
Monthly report of claims reported to toll free number with received
and transmit dates and times.

2.1.2 Quarterly

Summary of savings report

- Stratified by service (pharmaceuticals, hospitalizations, inpatient, outpatient, physical therapy, chiropractic), diagnosis (major injury, etc.) and any other logical categorization
- Method of savings calculations clearly defined
- Usual and Customary-Negotiated Hospital Savings Report

Performance Standards Compliance Report

Submit Medical Case Management activity reports documenting case activities, costs, and savings.

Computerized file "dump" of complete fee/bill review data set containing individual dates of service, ICD codes, DRG codes, RVS codes, type of bills, type of service, etc.

Lost time report

Submit report of the number and percentage of cases utilizing the PPO.

Submit report of pharmacies and medical providers the have an excessive amount of errors.

Submit report of identified safety issues and third party responsibility.

Savings Report of all bills not subject to fee review or PPO discount

2.1.3 Annual Report

A comprehensive annual statistical summary and narrative report evaluating the County's medical and disability management program documenting savings and making recommendations for improvement.

2.1.4 Other

Provide ad hoc reports within two (2) weeks upon request at no cost to County.

2.2 Confidentiality

The Contractor shall maintain confidentiality of all information which may be acquired arising out of or connected with activities under any resultant contract.

3.0 QUALITY ASSURANCE

CONTRACTOR'S QUALITY CONTROL PLAN

3.1 The Contractor shall establish and maintain a Quality Control Plan to assure that the requirements of the contract are met. The plan shall include, but not be limited to, the following:

3.1.1 The methods for assuring and verifying that contractor staff are qualified and properly trained to perform the services required under the agreement.

3.1.2 A system for monitoring compliance with all the services listed in Exhibit A – Statement of Work. It must specify the activities to be inspected/audited on either a scheduled or unscheduled basis, how often inspections/audits will be accomplished, and the title of the individual(s) who will perform the inspection/audits.

3.1.3 The methods for identifying, correcting and preventing deficiencies in the quality of service performed before the level of performance becomes unacceptable.

COUNTY'S QUALITY ASSURANCE MONITORING PLAN

The monitoring of the Contractor's compliance to the requirements outlined in the Contract shall be performed by County staff.

3.2 Meetings

The Contractor's Project Manager shall meet with the CCA or his/her designee at regularly scheduled intervals or at other times, as determined by the CCA, during the term of the contract. The purpose of such meetings shall be dissemination of information from the County to the Contractor, and the discussion of the Contractor's performance.

3.3 Contract Discrepancy Report (Technical Exhibit 1)

Verbal notification of a Contract discrepancy will be made to the Contract Project Monitor as soon as possible whenever a Contract discrepancy is identified. The problem shall be resolved within a time period mutually agreed upon by the County and the Contractor. The County Contract Monitor will determine whether a formal Contract Discrepancy Report shall be issued. Upon receipt of this document, the Contractor is required to respond in writing to the County Contract Monitor within five (5) business days, acknowledging the reported discrepancies or presenting contrary evidence. A plan for correction of all deficiencies identified in the Contract

Discrepancy Report shall be submitted to the County Contract Monitor within ten (10) business days.

3.4 County Observations

In addition to departmental contracting staff, other County personnel may observe performance, activities, and review documents relevant to this Contract at any time during normal business hours. However, these personnel may not unreasonably interfere with the Contractor's performance.

4.0 RESPONSIBILITIES:

The County's and the Contractor's responsibilities are as follows:

COUNTY

4.1 Orientation to County's Workers' Compensation Claims Administration Program

County will provide orientation to the County's Workers' Compensation Claims Administration Program for key Contractor personnel prior to the start date of the contract. Contractor shall not be reimbursed for any expenses during orientation.

CONTRACTOR

4.2 Contractor Furnished Items

The Contractor shall furnish all personnel, transportation, supplies, equipment, materials and other items necessary to perform all services required by this Statement of Work. These include, but may not be limited to the following items and actions:

4.2.1 The Contractor shall maintain a service center in the County of Los Angeles or within 75 miles of the Los Angeles County Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, CA 90012. The Contractor shall be required to provide all services Monday through Friday from 8:30 a.m. until 5:30 p.m. The Contractor is not required to provide services on County-recognized holidays. The County's Contractor Monitor will provide a list of the County holidays to the Contractor at the time the Contract is approved, and annually, at the beginning of the calendar year.

4.2.2 The Contractor shall provide a daily courier service between the Contractor's office and such County and TPA offices as are designated in writing by the CCA. A schedule shall be established

for the pick-up and delivery of all medical bills, medical reports and related items. The Contractor shall pay the costs of such services out of its own resources.

- 4.2.3 Contractor within thirty (30) days of contract implementation will provide a "Medical And Disability Management Manual" describing policies and procedures for the County's medical and disability management program including responsibilities, reporting requirements, review of medical bills, sample letters, sample reports, etc. The manual will include Contractor's policies and procedures for investigating and responding to complaints.

The Contractor shall preliminarily investigate all complaints and notify the County's Contract Manager of the status of the investigation within five (5) business days of receiving the complaint.

When complaints cannot be resolved informally, a system of follow-through shall be instituted which adheres to formal plans for specific actions and strict time deadlines.

Copies of all written responses shall be received by the County's Contract Manager within three (3) business days of mailing to the complainant.

- The County will review the Contractor's policy and procedure manual and provide the Contractor with approval of said plan or with requested changes.
- If the County requests changes in the Contractor's policy, the Contractor shall make such changes and resubmit the plan within five (5) business days.
- If, at any time, the Contractor wishes to change the Contractor's policy and procedure, the Contractor shall submit proposed changes to the County for approval before implementation.

- 4.2.4 Contractor shall provide computers and telecommunications equipment, including telephone, T1 or other data transmission lines for communication with the County's workers' compensation claims administration computer system. Contractor shall provide reasonable office accommodations, equipment and computer access for use by the County QAE Monitor onsite.

- 4.2.5 Contractor shall provide e-mail capability to staff providing services to the County pursuant to this Contract. This includes TPA's, County's attorneys, and County staff. Contractor will be able to send Explanation of Benefits by e-mail.

4.3 Training

Contractor shall conduct initial and periodic training for County and designated TPA staff to ensure all parties are fully aware of their responsibilities for administering the County's comprehensive medical and disability management program.

8/12/03

GMedical and Disability Management/Exhibit A - Contract

STATEMENT OF WORK

TECHNICAL EXHIBITS

TECHNICAL EXHIBITS TABLE OF CONTENTS

Technical Exhibits

Page

1	CONTRACT DISCREPANCY REPORT	1
2	PERFORMANCE REQUIREMENTS SUMMARY CHART	2
3	DATA FORMAT	3

TECHNICAL EXHIBIT 1
CONTRACT DISCREPANCY REPORT

TO:

FROM:

DATES: **Prepared:** _____
 Returned by Contractor: _____
 Action Completed: _____

DISCREPANCY PROBLEMS: _____

Signature of CCA

Date

CONTRACTOR RESPONSE (Cause and Corrective Action): _____

Signature of CCA

Date

COUNTY EVALUATION OF CONTRACTOR RESPONSE: _____

Signature of CCA

Date

COUNTY ACTIONS: _____

CONTRACTOR NOTIFIED OF ACTION:

CCA'S Signature and Date _____

Contractor Representative's Signature and Date _____

TECHNICAL EXHIBIT 2
PERFORMANCE REQUIREMENTS SUMMARY (PRS) CHART

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING METHOD	DEDUCTIONS/FEES TO BE ASSESSED
Contract: Sub-paragraph 7.1.1 – Contractor Project Manager	Contractor Project Manager designated in writing	Submission	\$50 for late designation
Contract: Sub-paragraph 7.3 – Confidentiality	Contractor Confidentiality Statements signed	Submission	\$50 for each late submission. Employees must sign within 10 days of contract inception or employment
Contract: Sub-paragraph 8.1 – Assignment and Delegation	No unauthorized assumption, delegation or takeover of any of Contractor's duties, responsibilities, obligations or rights by any entity other than Contractor .	Submission and Inspection	Termination of Contract for Breach of Contract
Contract: Sub-paragraph 8.2 – Subcontracting	No unauthorized attempt to Subcontract services Contracted by Contractor.	Submission and Inspection	Termination of Contract for Breach of Contract
Contract: Sub-paragraph 8.4 – Compliance with Applicable Law	Contractor to comply with all applicable Federal, State, and local laws, rules regulations, ordinances and directives.	Submission, inspection and notification by outside parties.	Indemnify, defend and hold harmless County from and against any and all liability, damages, costs and expenses including all defense costs.
Contract: Sub-paragraph 8.9 – Contractor's Responsibility and Debarment	Contractor is to demonstrate the attributes of trustworthiness, quality, fitness, capacity and experience to satisfactorily perform the Contract	Acquisition of information from outside sources.	Debar Contractor from bidding on County Contracts on a specified period of time not to exceed 3 years and termination of any or all existing Contracts with the County.
Contract: Sub-paragraph 8.18.1 – Evidence of Insurance	Certificate(s) or other evidence of coverage satisfactory to the County.	Submission & Inspection	Delay in provision of work under the contract if insurance certificate provided late
Contract: Sub-paragraph - 8.18.3 Failure to Maintain Coverage	Contractor to maintain evidence of insurance coverage	Submission & Inspection	Termination of Contract for Breach of Contract
Contract: Sub-paragraph – 8.18.4 Notification of Incidents, Claims or Suits	Contractor to notify County in writing within 24 hours of any accident or incident relating to services performed under this Contractor which may involve filing a lawsuit or claim against the Contractor and/or County	Submission	\$50 if submitted more than 7 business days after Contractor's knowledge of claim or lawsuit
Contract: Sub-paragraph 8.20.1 – Performance Bond/Certificate of Deposit (CD) or Letter of Credit (LOC)	Contractor to provide Performance Bond, CD, or LOC.	Submission	\$50 if submitted more than 30 days after contract start date

SPECIFIC PERFORMANCE REFERENCE	SERVICE	MONITORING	DEDUCTIONS/FEEES TO BE ASSESSED
Contract: Sub-paragraph 8.30 – Publicity	Contractor shall not publish or disseminate any commercial advertisements, press releases, feature articles, or other materials without the prior written consent of the CCA.	Inspection & Observation	\$50 per occurrence
Contract: Sub-paragraph 8.31.1 – Notice When 75% Contract Authorization Incurred	Contractor shall maintain a system of record keeping that will allow Contractor to determine when it has incurred 75% of total contract authorization under the Contract.	Submission	\$50 for late notification.
Contract: Sub-paragraph 8.31.2 – Contractor to Notify County within six (6) months of expiration of contract	Contractor shall notify CAO when this Contract is within 6 months from the expiration of the term.	Submission	\$50 for late notification
Contract: Sub-paragraph 8.36 Termination for Improper Consideration	Contractor will immediately report any attempt by a County officer or employee to solicit improper consideration.	Report to CCA or call to County Auditor - Controller's Employee Fraud Hotline	Termination of Contract for providing improper consideration and \$100 for failure to report attempt to obtain improper consideration

1/16/03

G/Med and Dis/Performance Requirements Summary Final

BILL REVIEW INTERFACE**TRANSACTION RECORD LAYOUT**

POS	LEN	JUST	FIELD NAME	FORMAT
1	3	L	Record Code (literal)	'660'
4	30	L	Claimant Name (last name, first MI)	30X
34	11	L	Claim Number (exclude dashes)	11N
45	4	R	Number of Lines per Bill (optional)	4N ⁽⁴⁾
49	6	L	Service Start Date (from date)	6N (MMDDYY) ⁽⁶⁾
55	6	L	Service End Date (thru date)	6N (MMDDYY) ⁽⁶⁾
61	8	R	Total Charges (billed amount)	unpacked, implied decimal ⁽⁴⁾
69	8	R	Total Allowance (payment amount)	unpacked, implied decimal, signed ⁽⁴⁾ , ⁽⁴⁾ , ⁽⁶⁾
77	9	L	Provider IRS#	9N
86	30	L	Provider Name (line 1)	30X
116	30	L	Provider Name (line 2)	30X
146	7	L	GenCOMP™ Trans# (skeleton trans opuon)	7X
153	5	L	Override Indicators	5X ⁽⁵⁾
158	3	L	Bill Review Vendor Code	3A ⁽¹⁾
161	20	L	Bill Review Vendor Transaction#	20X
181	10	L	Message Code (optional)	10X
191	10	L	Provider Street (optional)	10X
201	10	L	Provider Zip Code (optional)	5N or 5N-4N
211	20	L	Invoice #	20X
231	5		Filler	Blanks
236	4	L	Batch Number (tape I.D.)	4N
240	6	L	Process Date (date tape created)	6N (MMDDYY)
246	1	L	Payment Adjustment Code (debit/credit opuon)	1A
247	1	L	Fee Adjustment Code (debit/credit opuon)	1A
248	1		Filler	Blanks
249	5	L	Provider # (GenComp biller #)	5X
254	2	L	Payment Category (paycat opuon)	2X
256	4		Filler	Blanks
260	8	R	Fee Amount (fee opuon)	unpacked, implied dec., signed ⁽⁴⁾
268	35	L	Stub Note #1 (optional information)	35X
303	35	L	Stub Note #2 (optional information)	35X
338	35	L	Stub Note #3 (optional information)	35X
373	35	L	Stub Note #4 (optional information)	35X
408	35	L	Stub Note #5 (optional information)	35X
443	8		Filler	Blanks

BILL REVIEW INTERFACE

TRANSACTION RECORD LAYOUT (continued)

File on FTP server specs: ascii, blank fill

Definitions:

A	=	Alpha	MM	=	Month
N	=	Numeric	DD	=	Day
X	=	Alpha - Numeric	YY	=	Year

Codes/Notes:

- (1)
- | | | |
|-----|---|------------------------|
| BSB | = | Beech Street |
| RCB | = | ReviewCo |
| CCB | = | Compcure/Ouch |
| MDB | = | Medata |
| CMC | = | CMCI |
| PRI | = | Prime |
| WCS | = | Wcomp Casualty Service |
| CRI | = | CompReview, Inc. |
- (2)
- | | | |
|---|---|--------------------------------|
| T | = | overlap, not duplicate payment |
| Y | = | payment limit exceeded |
| A | = | denied/no-pay case |
| Q | = | questionable case |
- (3) Field can be negative if there is a credit adjustment code for the payment/fee. Refer to rules for signing fields.
- (4) The totals for the 660 record will be balanced to the count and totals of the 665 line records for this transaction, and the load will be rejected if there is a mismatch.
- (5) The amount should be '0' for review-only transactions, and blank for fee-only transactions.
- (6) If line records are included, the start date should be the oldest from date for all of the line dates, and the end date should be the most recent through date.

RULES FOR SIGNING FIELDS

The following chart can be used to create signed fields. Replace the last digit of the dollar value with the appropriate ASCII character from the table based on whether the entire value should be positive or negative. The one character will represent both the number and the sign. The signed fields should be zero filled.

Examples for six digit fields: -105 = 00010N; 228 = 00022H; 12 = 00001B; -33 = 00003L

RIGHT-MOST DIGIT	POSITIVE VALUE	NEGATIVE VALUE
0	char(123) - {	char(125) - }
1	char(65) - A	char(74) - J
2	char(66) - B	char(75) - K
3	char(67) - C	char(76) - L
4	char(68) - D	char(77) - M
5	char(69) - E	char(78) - N
6	char(70) - F	char(79) - O
7	char(71) - G	char(80) - P
8	char(72) - H	char(81) - Q
9	char(73) - I	char(82) - R

BILL REVIEW INTERFACE

Page 3 of 8

TRANSACTION LINE RECORD LAYOUT

POS	LEN	JUST	FIELD NAME	FORMAT
1	3	L	Record Code (literal)	'665'
4	3	L	Bill Review Vendor Code	3A ⁽¹⁾
7	20	L	Bill Review Vendor Transaction#	20X ⁽²⁾
27	3	R	Line Number on Bill	3N ⁽²⁾
30	1	L	Fee Schedule Category	1A ⁽²⁾
31	6	L	Service Start Date (from date)	6N (MMDDYY)
37	6	L	Service End Date (thru date)	6N (MMDDYY)
43	3	L	Revenue Code (optional)	3N ⁽⁶⁾
46	3	L	Place of Service Code (optional)	3X ⁽²⁾
49	3	L	Type of Service Code (optional)	3X ⁽²⁾
52	3	L	Acute Inpatient Care Code (optional)	3X ⁽²⁾
55	11	L	Final (Adjusted) Procedure#	5X or 11X ⁽²⁾
66	5	L	Modifier Code 1 (optional)	2X or 5X ⁽²⁾
71	5	L	Modifier Code 2 (optional)	2X or 5X ⁽²⁾
76	5	L	ICD9 Code (optional)	3N or 4N or 5N (no decimal) ⁽⁶⁾
81	5	L	ICD9 Code (optional)	3N or 4N or 5N (no decimal) ⁽⁶⁾
86	5	L	ICD9 Code (optional)	3N or 4N or 5N (no decimal) ⁽⁶⁾
91	5	L	ICD9 Code (optional)	3N or 4N or 5N (no decimal) ⁽⁶⁾
96	5	L	ICD9 Code (optional)	3N or 4N or 5N (no decimal) ⁽⁶⁾
101	8	R	Total Charges (billed amount)	unpacked, implied decimal ⁽⁷⁾
109	6	R	Quantity (Days, Procedures, Drugs/Supplies)	6N
115	6	R	Units	6N
121	8	R	Conversion Factor	unpacked, implied decimal
129	8	R	Total Allowance (payment amount)	unpacked, implied decimal ⁽⁷⁾
137	4	L	Message Code	4X ⁽²⁾
141	11	L	Submitted Procedure# (optional)	5X or 11X ⁽²⁾
152	50	L	Procedure Description (optional)	50X
202	4	L	Batch Number	4N
206	6	L	Process Date (date tape created)	6N (MMDDYY)
212	39		Filler	Blanks

BILL REVIEW INTERFACE

Page 4 of 8

TRANSACTION LINE RECORD LAYOUT (continued)

File on FTP server specs: ascii, blank fill

<u>Definitions:</u>	A	=	Alpha	MM	=	Month
	N	=	Numeric	DD	=	Day
	X	=	Alpha - Numeric	YY	=	Year

Codes/Notes:

- (1)

BSB	=	Beech Street
RCB	=	ReviewCo
CCB	=	Compcure/Ouch
MDB	=	Medata
CMC	=	CMCI
PRI	=	Prime
WCS	=	Wcomp Casualty Service
CRI	=	CompReview, Inc.
- (2) The line number must be associated with an existing 660 transaction record.
- (3) Refer to the FSCONFIG list for the Fee Schedule Section (Factor) codes, POS codes, TOS codes, AIC codes, Modifier codes, and Message codes.
- (4) Hospital Revenue codes:
110 = Private room
120 = Semi-private room
160 = Other accommodations
170 = Nursery room
200 = Intensive care room
240 = Ancillary - inpatient
300 = Outpatient - DXL only
510 = Outpatient services
- (5) The Procedure# can be a standard 5N procedure code, a 1A4N HCPCS code, or a 11X National Drug code.
- (6) Up to five ICD9 codes can be entered per transaction (660) record. The system will accumulate the first five different codes from each of the line (665) records for the transaction (660) record.
- (7) The total charges, total allowance, and total number of line records per transaction will be balanced back to the 660 record. The load will be rejected if there is a mismatch.

Page 7

BILL REVIEW INTERFACE**CASE MANAGEMENT NOTES RECORD LAYOUT**

PER	LEN	JUST	FIELD	FORMAT
1	3	L	Record Code	'670
4	3	L	Bill Review Vendor Code	3A ^C
7	4	L	Batch Number (tape ID)	4N
11	6	L	Process Date (date tape created)	6N (MMDDYY)
17	11	L	Claim Number (exclude dashes)	11N
28	30	L	Claimant Name (last name, first MI)	30X
58	6	L	From Date of Case Management Notes	6N (MMDDYY)
64	6	L	Thru Date of Case Management Notes	6N (MMDDYY)
70	3	L	Case Manager Initials	3X
73	3	R	Page Number	3N ^C
76	50	L	Page Heading	50X
126	75	L	Line 1 of Notes	75X
201	75	L	Line 2 of Notes	75X
276	75	L	Line 3 of Notes	75X
351	75	L	Line 4 of Notes	75X
426	75	L	Line 5 of Notes	75X
501	75	L	Line 6 of Notes	75X
576	75	L	Line 7 of Notes	75X
651	75	L	Line 8 of Notes	75X
726	75	L	Line 9 of Notes	75X
801	75	L	Line 10 of Notes	75X
876	75	L	Line 11 of Notes	75X
951	75	L	Line 12 of Notes	75X
1,026	75	L	Line 13 of Notes	75X
1,101	75	L	Line 14 of Notes	75X
1,176	75	L	Line 15 of Notes	75X
1,251	75	L	Line 16 of Notes	75X
1,326	75	L	Line 17 of Notes	75X
1,401	50		Filler	Blanks

BILL REVIEW INTERFACE**CASE MANAGEMENT NOTES RECORD LAYOUT (continued)**

File on FTP server specs: ascii, blank fill

<u>Definitions:</u>	A	=	Alpha	MM	=	Month
	N	=	Numeric	DD	=	Day
	X	=	Alpha - Numeric	YY	=	Year

Codes/Notes:

(1)	BSB	=	Beech Street
	RCB	=	ReviewCo
	CCB	=	Compcore/Ouch
	MDB	=	Metadata
	CMC	=	CMCI
	PRI	=	Prime
	WCS	=	Wcomp Casualty Service
	CRI	=	Comp Review, Inc.

(2) Multiple pages can be submitted per claim. These pages will be added on to existing claim notes when updated, so do not resubmit existing notes.

BILL REVIEW INTERFACE

Page 7 of 8

TRAILER RECORD LAYOUT

POS	LEN	JUST	FIELD	FORMAT
1	3	L	Record Code	'671'
4	4	L	Batch Number (tape ID)	4N
8	6	L	Process Date (date tape created)	MMDDYY
14	6	R	Total - Number of Bills	6N ⁽ⁿ⁾
20	8	R	Total - Total Allowance	unpacked and implied decimal ⁽ⁿ⁾
28	3	L	Bill Review Vendor Code	3A ⁽ⁿ⁾
31	6	R	Total - Number of Note Pages	6N ⁽ⁿ⁾
37	414		Filler	Blanks

File on FTP server specs: ascii, blank fill

<u>Definitions:</u>	A	=	Alpha	MM	=	Month
	N	=	Numeric	DD	=	Day
	X	=	Alpha - Numeric	YY	=	Year

Codes/Notes:

(1)	BSB	=	Beech Street
	RCB	=	ReviewCo
	CCB	=	Compcore/Ouch
	MDB	=	Metadata
	CMC	=	CMCI
	PRI	=	Prime
	WCS	=	Wcomp Casualty Service
	CRI	=	Comp Review, Inc.

(2) The transaction record (660) totals will be balanced to the trailer record totals, and the load will be rejected if there is a mismatch.

(3) The number of case management note pages (670 records) will be balanced to the trailer record totals, and the load will be rejected if there is a mismatch.

BILL REVIEW INTERFACE

Page 8 of 8

BILLER RECORD LAYOUT

POS	LEN	JUST	FIELD NAME	FORMAT
1	5	L	Billor Number	5N ⁽¹⁾
6	3	L	Unit	3X ⁽¹⁾
9	28	L	Billor Name (line 1)	28X
37	28	L	Billor Name (line 2)	28X
65	30	L	Billor Address (line 1)	30X
95	30	L	Billor Address (line 2)	30X
125	35	L	Billor City, State, Zip	35X
160	11	L	Billor IRS Number	11X
171	4	L	Billor Type Code	4X
175	10	R	Billor Phone#	7N or 10N
185	5	R	Master Billor#	5N
190	1	L	Exclude from 1099 Reporting	Blank or 'Y'
191	10	L	Filler	Blanks

File on FTP server specs: ascii, blank fill

Definitions:

A	=	Alpha
N	=	Numeric
X	=	Alpha - Numeric

Notes:

- (1) The Billor Number and Unit will create a unique id.

**DIVERSIFIED
EXHIBIT B
PRICING SCHEDULE**

	Year 1	Year 2	Year 3	Year 4*	Year 5**
24-Hour Telephonic Reporting	\$16.00 per claim	\$16.00 per claim	\$16.00 per claim	\$16.00 per claim	\$16.00 per claim
Telephonic Medical Case Management	\$70.00 per hour	\$70.00 per hour	\$70.00 per hour	\$70.00 per hour	\$70.00 per hour
Onsite Medical Case Management	\$80.00 per hour	\$80.00 per hour	\$80.00 per hour	\$80.00 per hour	\$80.00 per hour
Medical Bill Review	\$.93 per line 1 line header 10 line maximum	\$.93 per line 1 line header 10 line maximum	\$.93 per line 1 line header 10 line maximum	\$.93 per line 1 line header 10 line maximum	\$.93 per line 1 line header 10 line maximum
Medical/Legal Bill Review	\$.93 per line 1 line header 10 line maximum	\$.93 per line 1 line header 10 line maximum	\$.93 per line 1 line header 10 line maximum	\$.93 per line 1 line header 10 line maximum	\$.93 per line 1 line header maximum
Pharmacy Bill Review	\$.93 per line 1 line header 10 line maximum	\$.93 per line 1 line header 10 line maximum	\$.93 per line 1 line header 10 line maximum	\$.93 per line 1 line header 10 line maximum	\$.93 per line 1 line header 10 line maximum
Vocational Rehab. Fee Review	\$.93 per line 1 line header 10 line maximum	\$.93 per line 1 line header 10 line maximum	\$.93 per line 1 line header 10 line maximum	\$.93 per line 1 line header 10 line maximum	\$.93 per line 1 line header 10 line maximum
Hospital PPO	16% of savings	16% of savings	16% of savings	16% of savings	16% of savings
M.D. PPO	16% of savings	16% of savings	16% of savings	16% of savings	16% of savings
UR services not provided under Case Mgmt. (SOW 1.3)	\$70.00 per hour	\$70.00 per hour	\$70.00 per hour	\$70.00 per hour	\$70.00 per hour
UR Hospital In-Patient Services (Prospective)	\$70.00 per hour	\$70.00 per hour	\$70.00 per hour	\$70.00 per hour	\$70.00 per hour
UR Hospital In-Patient Services (Concurrent)	\$70.00 per hour	\$70.00 per hour	\$70.00 per hour	\$70.00 per hour	\$70.00 per hour
UR Hospital In-patient (Retrospective) Hospital Bill Audit	16% savings	16% savings	16% savings	16% savings	16% savings

* Optional Year 1

** Optional Year 2

g/med and dis/Exhibit B - Pricing Schedule - Diversified

EXHIBIT C

CERTIFICATION OF INDEPENDENT PRICE DETERMINATION & ACKNOWLEDGEMENT OF RFP RESTRICTIONS

- A. By submission of this Proposal, Proposer certifies that the prices quoted herein have been arrived at independently without consultation, communication, or agreement with any other Proposer or competitor for the purpose of restricting competition.
- B. List all names and telephone number of person legally authorized to commit the Proposer.

NAME

PHONE NUMBER

Victoria Henson_____

(714) 918- 2590 ext. 104_____

Tara Ambrose_____

(714) 918-2590 ext. 101_____

Jim Clarke_____

(925) 355-1426 ext. 125_____

NOTE: Persons signing on behalf of the Contractor will be required to warrant that they are authorized to bind the Contractor.

- C. List names of all joint ventures, partners, subcontractors, or others having any right or interest in this contract or the proceeds thereof. If not applicable, state "NONE".

NONE

- D. Proposer acknowledges that it has not participated as a consultant in the development, preparation, or selection process associated with this RFP. Proposer understands that if it is determined by the County that the Proposer did participate as a consultant in this RFP process, the County shall reject this proposal.

Diverisified HealthCare Services, Inc.

Name of Firm

Victoria Henson

Vice President

Print Name of Signer

Title



2/25/03

Signature

Date

EXHIBIT D

CERTIFICATION OF NO CONFLICT OF INTEREST

The Los Angeles County Code, Section 2.180.010, provides as follows:

CONTRACTS PROHIBITED

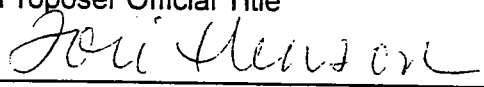
Notwithstanding any other section of this Code, the County shall not contract with, and shall reject any proposals submitted by, the persons or entities specified below, unless the Board of Supervisors finds that special circumstances exist which justify the approval of such contract:

1. Employees of the County or of public agencies for which the Board of Supervisors is the governing body;
2. Profit-making firms or businesses in which employees described in number 1 serve as officers, principals, partners, or major shareholders;
3. Persons who, within the immediately preceding 12 months, came within the provisions of number 1, and who:
 - a. Were employed in positions of substantial responsibility in the area of service to be performed by the contract; or
 - b. Participated in any way in developing the contract or its service specifications; and
4. Profit-making firms or businesses in which the former employees, described in number 3, serve as officers, principals, partners, or major shareholders.

Contracts submitted to the Board of Supervisors for approval or ratification shall be accompanied by an assurance by the department submitting, district or agency that the provisions of this section have not been violated.

Victoria Henson/Diversified HealthCare Services, Inc.
Proposer Name

Vice President
Proposer Official Title


Official's Signature

Cert. of No Conflict of Interest

EXHIBIT E

Revised 07/02/2001

CHILD SUPPORT COMPLIANCE PROGRAM CERTIFICATION


Los Angeles County Code Chapter 2.200 establishes the Los Angeles County Child Support Compliance Program. This Program requires the County to provide certain information to the Child Support Services Department (CSSD) concerning its employees and business licensees. It further requires that proposers for County contracts submit certifications of Program compliance to the soliciting County department along with their proposals. (In an emergency procurement, as determined by the soliciting County department, these certifications may be provided immediately following the procurement.)

IN ORDER TO COMPLY WITH THIS REQUIREMENT, COMPLETE THIS FORM AND SUBMIT IT DIRECTLY TO THE SOLICITING COUNTY DEPARTMENT ALONG WITH YOUR PROPOSAL. IN ADDITION, PROVIDE A COPY TO THE CSSD AT THE ADDRESS OR FAX NUMBER SHOWN BELOW. SOLE PRACTITIONER MEMBERS OF AN ASSOCIATION MUST COMPLETE AND SUBMIT INDIVIDUAL FORMS.

I, (print name as shown in Proposal) Diversified HealthCare Services, Inc., hereby submit this certification to the (County department) CAO, pursuant to the provisions of County Code Section 2.200.060, and hereby certify that (contractor or association name as shown in Proposal or proposal) Diversified HealthCare Services, Inc., an independently-owned or franchiser-owned business (circle one), located at (contractor or, if an association, associated member address) 201 E. Sandpointe, Suite 320, Santa Ana, CA 92707 is in compliance with Los Angeles County's Child Support Compliance Program and has met the following requirements:

- 1) Submitted a completed Principal Owner Information Form to the Child Support Services Department;
- 2) Fully complied with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653a) and/or California Unemployment Insurance Code Section 1088.5 and will continue to comply with such reporting requirements;
- 3) Fully complied with all lawfully served Wage and Earnings Withholding Orders or District Attorney Notices of Wage and Earnings Assignment, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b) or pursuant to applicable provisions of the Uniform Interstate Family Support Act, and will continue to comply with such Orders or Notices.

I declare under penalty of perjury that the foregoing is true and correct.

Executed this 25 day of February 2003 (Month and Year)
at: Santa Ana, CA (714) 918-2590 ext. 104
by:  (City/State) (Telephone No.)
(Signature of a principal owner, an officer, or manager responsible for submission of the proposal to the County.)

Copy to: Child Support Services Department
Special Projects
P.O. Box 911009
Los Angeles, CA 90091-1009
FAX: (323) 869-0634

Telephone: (323) 832-7277 or (323) 832-7276

EXHIBIT F

FAMILIARITY OF THE COUNTY LOBBYIST ORDINANCE CERTIFICATION

The Proposer certifies that it is familiar with the terms of the County of Los Angeles Lobbyist Ordinance, Los Angeles Code Chapter 2.160. The Proposer also certifies that all persons acting on behalf of the Proposer organization have and will comply with it during the proposal process.

Signature: Jori Hanson Date: 2/25/03

LOBBYIST

CERTIFICATION

EXHIBIT G

County of Los Angeles – Community Business Enterprise Program (CBE)

Request for Local SBE Preference Program Consideration and CBE Firm/Organization Information Form

INSTRUCTIONS: All proposers/bidders responding to this solicitation must complete and return this form for proper consideration of the proposal/bid.

I. LOCAL SMALL BUSINESS ENTERPRISE PREFERENCE PROGRAM:

FIRM NAME: Diversified HealthCare Services, Inc.

- ☒ I AM NOT ☐ A Local SBE certified by the County of Los Angeles Office of Affirmative Action Compliance as of the date of this proposal/bids submission.
- ☐ I AM _____
- ☐ As an eligible Local SBE, I request this proposal/bid be considered for the Local SBE Preference.

My County (WebVen) Vendor Number : _____

II. FIRM/ORGANIZATION INFORMATION: The information requested below is for statistical purposes only. On final analysis and consideration of award, contractor/vendor will be selected without regard to race/ethnicity, color, religion, sex, national origin, age, sexual orientation or disability.

Business Structure: ☐ Sole Proprietorship ☐ Partnership ☒ Corporation ☐ Non-Profit ☐ Franchise
☐ Other (Please Specify) _____

Total Number of Employees (including owners): 105

Race/Ethnic Composition of Firm. Please distribute the above total number of individuals into the following categories:

Race/Ethnic Composition	Owners/Partners/ Associate Partners		Managers		Staff	
	Male	Female	Male	Female	Male	Female
Black/African American				1		6
Hispanic/Latino	1			1	3	8
Asian or Pacific Islander					11	11
American Indian						
Filipino					2	2
White	2	2	6	9	11	29

III. PERCENTAGE OF OWNERSHIP IN FIRM: Please indicate by percentage (%) how ownership of the firm is distributed.

	Black/African American	Hispanic/Latino	Asian or Pacific Islander	American Indian	Filipino	White
Men	%	65.6%	%	%	%	17.2%
Women	%	%	%	%	%	17.2%

IV. CERTIFICATION AS MINORITY, WOMEN, DISADVANTAGED, AND DISABLED VETERAN BUSINESS ENTERPRISES: If your firm is currently certified as a minority, women, disadvantaged or disabled veteran owned business enterprise by a public agency complete the following and attach a copy of your proof of certification. (Use back of form, if necessary.)

Agency Name	Minority	Women	Dis- advantaged	Disabled Veteran	Expiration Date
County of Los Angeles	78713				11/05/04

V. DECLARATION: I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE ABOVE INFORMATION IS TRUE AND ACCURATE.

Print Authorized Name	Authorized Signature	Title	Date
Victoria Henson	<i>Jeri Henson</i>	Vice President	2/23/03



**COUNTY OF LOS ANGELES
OFFICE OF AFFIRMATIVE ACTION COMPLIANCE**

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 780
Los Angeles, California 90012
(213) 974-1080 / FAX (213) 626-7034
TDD (213) 974-0911

MEMBERS OF THE BOARD

GLORIA MOLINA
YVONNE BRATHWAITE BURKE
ZEV YAROSLAVSKY
DON KNABE
MICHAEL D. ANTONOVICH

DENNIS A. TAFOYA
Director

November 5, 2002

Mr. Jorge Garratt, President/CEO
Diversified HealthCare Services Inc.
201 E. Sandpointe, #320
Santa Ana, CA 92707

CBE Program I.D.#: 78713

Status: MBE

Dear Mr. Garratt:

Congratulations! Your firm has been recertified as an eligible participant in the County of Los Angeles Community Business Enterprise (CBE) Program. This recertification is valid until November 5, 2004.

The County of Los Angeles Office of Affirmative Action reserves the right to request additional information and/or conduct an on-site visit at any time during the certification process to verify any documentation submitted by the applicant. If there are any changes in ownership or control of the firm during this certification period, you are required to notify this office immediately.

Again, congratulations on your recertification. If you have any questions, please call (213) 974-0912 and refer to the identification number above.

Sincerely,

DENNIS A. TAFOYA
Director

A handwritten signature in cursive script, reading "Marcus V. Castro".

Marcus V. Castro
Senior Deputy Compliance Officer

DAT:MVC

EXHIBIT H

PRINCIPAL OWNER INFORMATION FORM

Los Angeles County Code Chapter 2.200 establishes the Los Angeles County Child Support Compliance Program. This Program requires the County to provide certain information to the Child Support Services Department (CSSD) concerning its employees and business licensees. It further requires that proposers for County contracts provide directly to the Child Support Services Department information concerning their "Principal Owners," that is, those natural persons who own an interest of 10 percent or more in the Contractor. For each "Principal Owner," the information which must be provided to the Child Support Services Department is: 1) the Principal Owner's name, 2) his or her title, and 3) whether or not the Contractor has made a payment of any sort to the Principal Owner.

IN ORDER TO COMPLY WITH THIS REQUIREMENT, COMPLETE THIS FORM AND SUBMIT IT DIRECTLY TO THE CSSD AT THE ADDRESS OR FAX NUMBER SHOWN BELOW ON OR BEFORE THE DATE YOU SUBMIT A PROPOSAL TO A COUNTY DEPARTMENT. MAINTAIN DOCUMENTATION OF SUBMISSION. SOLE PRACTITIONER MEMBERS OF AN ASSOCIATION MUST COMPLETE AND SUBMIT INDIVIDUAL FORMS.

In addition, proposers must certify to the soliciting County department that they are in full compliance with the Program requirements by submitting the Child Support Compliance Program Certification along with the bid or proposal.

To: Child Support Services Department
Special Projects
P.O. Box 911009
Los Angeles, CA 90091-1009
FAX: (323) 869-0634

Telephone: (323) 832-7277 or (323) 832-7276

Contractor or Association Name as Shown on Bid or Proposal: Diversified HealthCare Services, Inc.

Contractor or Associated Member Name, if Contractor is an

Association: _____

Contractor or Associated Member Address: 201 E. Sandpointe Ste. 320, Santa Ana CA 92707

Telephone: (714) 918-2590 Ext. 104 FAX: (714) 918-2595

County Department Receiving Bid or Proposal: CAO

Type of Goods or Services To Be Provided: Workers' Compensation Cost Containment Services

Contract or Purchase Order No. (if applicable): _____

Principal Owners: Please check appropriate box. If box I is checked, no further information is required. Please sign and date the form below.

- I. ☐ No natural person owns an interest of 10 percent or more in this Contractor.
II. ☒ Required principal owner information is provided below. (Use a separate sheet if necessary.)

	<u>Name of Principal Owner</u>	<u>Title</u>	<u>Payment Received From Contractor</u>
1.	Jorge Garratt	President/CEO	[YES] [NO]
2.			[YES] [NO]
3.			[YES] [NO]

I declare under penalty of perjury that the foregoing information is true and correct.

By: Victoria Henson Date: 2/25/03
(Signature of a principal owner, an officer, or manager responsible for submission of the bid or proposal to the County.)

Victoria Henson
(Print Name)

Vice President
(Title/Position)

EXHIBIT I

CONTRACTOR'S EEO CERTIFICATION

Diversified HealthCare Services, Inc.
Company Name

201 E. Sandpointe, Ste. 320, Santa Ana, CA 92707
Address

#680302628
Internal Revenue Service Employer identification Number

GENERAL

In accordance with provisions of the County Code of the County of Los Angeles, the Contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CERTIFICATION	YES	NO
1. Contractor has written policy statement prohibiting discrimination in all phases of employment.	(X)	()
2. Contractor periodically conducts a self-analysis or utilization analysis of its work force.	(X)	()
3. Contractor has a system for determining if its employment practices are discriminatory against protected groups.	(X)	()
4. When areas are identified in employment practices, Contractor has a system for taking reasonable corrective action to include establishment of goal and/or timetables.	(X)	()

Victoria Henson
Signature

2/25/03

Date

Victoria Henson, Vice President
Name and Title of Signer (please print)

EEO CERTIFICATION

EXHIBIT J

ATTESTATION OF WILLINGNESS TO CONSIDER GAIN/GROW PARTICIPANTS

As a threshold requirement for consideration for contract award, Proposer shall demonstrate a proven record for hiring GAIN/GROW participants or shall attest to a willingness to consider GAIN/GROW participants for any future employment opening if they meet the minimum qualifications for that opening. Additionally, Proposer shall attest to a willingness to provide employed GAIN/GROW participants access to the Proposer's employee mentoring program, if available, to assist these individuals in obtaining permanent employment and/or promotional opportunities.

Proposers unable to meet this requirement shall not be considered for contract award.

Proposer shall complete all of the following information, sign where indicated below, and return this form with any resumes and/or fixed price bid being submitted:

- A. Proposer has a proven record of hiring GAIN/GROW participants and will continue to consider GAIN/GROW participants for any future employment openings.

_____ YES X NO (subject to verification by County)

- B. Proposer is willing to consider GAIN/GROW participants for any future employment openings if the GAIN/GROW participant meets the minimum qualifications for the opening. "Consider" means that Proposer is willing to interview qualified GAIN/GROW participants.

 X YES _____ NO

- C. Proposer is willing to provide employed GAIN/GROW participants access to its employee-mentoring program, if available.

 X YES _____ NO _____ N/A (Program not available)

Proposer Organization: Diversified HealthCare Services, Inc.

Signature: *Victoria Henson*

Print Name: Victoria Henson

Title: Vice President Date: 2/25/03

Tel.#: (714) 918-2590 ext. 104 Fax #: (714) 918-2595

GAIN/GROW ATTESTATION

EXHIBIT K

COUNTY OF LOS ANGELES CONTRACTOR EMPLOYEE JURY SERVICE PROGRAM APPLICATION FOR EXCEPTION AND CERTIFICATION FORM

The County's solicitation for this contract/purchase order (Request for Proposal or Invitation for Bid) is subject to the County of Los Angeles Contractor Employee Jury Service Program (Program) (Los Angeles County Code, Chapter 2.203). All bidders or proposers, whether a contractor or subcontractor, must complete this form to either 1) request an exception from the Program requirements or 2) certify compliance. Upon review of the submitted form, the County department will determine, in its sole discretion, whether the bidder or proposer is excepted from the Program.

Company Name: Diversified HealthCare Services, Inc.

Company Address: 201 E. Sandpointe, Ste. 320

City: Santa Ana

State: CA

Zip Code: 92707

Telephone Number: (714) 918- 2590

Solicitation For (Type of Goods or Services): Workers' Compensation Cost Containment Services

If you believe the Jury Service Program does not apply to your business, check the appropriate box in Part I (attach documentation to support your claim); or, complete Part II to certify compliance with the Program. Whether you complete Part I or Part II, please sign and date this form below.

Part I: Jury Service Program Is Not Applicable to My Business

- ☐ My business does not meet the definition of "contractor," as defined in the Program as it has not received an aggregate sum of \$50,000 or more in any 12-month period under one or more County contracts or subcontracts (this exception is not available if the contract/purchase order itself will exceed \$50,000). I understand that the exception will be lost and I must comply with the Program if my revenues from the County exceed an aggregate sum of \$50,000 in any 12-month period.
- ☐ My business is a small business as defined in the Program. It 1) has ten or fewer employees; and, 2) has annual gross revenues in the preceding twelve months which, if added to the annual amount of this contract, are \$500,000 or less; and, 3) is not an affiliate or subsidiary of a business dominant in its field of operation, as defined below. I understand that the exemption will be lost and I must comply with the Program if the number of employees in my business and my gross annual revenues exceed the above limits.

"Dominant in its field of operation" means having more than ten employees, including full-time and part-time employees, and annual gross revenues in the preceding twelve months, which, if added to the annual amount of the contract awarded, exceed \$500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

- ☐ My business is subject to a Collective Bargaining Agreement (attach agreement) that expressly provides that it supersedes all provisions of the Program.

OR

Part II - Certification of Compliance

- ☐ My business has and adheres to a written policy that provides, on an annual basis, no less than five days of regular pay for actual jury service for full-time employees of the business who are also California residents, or my company will have and adhere to such a policy prior to award of the contract.

I declare under penalty of perjury under the laws of the State of California that the information stated above is true and correct.

Print Name: Victoria Henson

Title: Vice President

Signature:

Jori Henson

Date: 2/25/03

EXHIBIT L1

CONTRACT FOR WORKERS' COMPENSATION MEDICAL AND DISABILITY MANAGEMENT AND COST CONTAINMENT SERVICES

CONTRACTOR EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY AGREEMENT

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

CONTRACTOR NAME

Contract No. _____

Employee Name _____

GENERAL INFORMATION:

Your employer referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Contractor Employee Acknowledgement and Confidentiality Agreement.

EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above is my sole employer for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon my employer for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by my employer for the County. I have read this agreement and have taken due time to consider it prior to signing.

Initials of Signer _____

Contractor Name _____ Contract No. _____

Employee Name _____

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between my employer and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to my immediate supervisor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than my employer or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me during this employment, I shall keep such information confidential.

I agree to report to my immediate supervisor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to my immediate supervisor upon completion of this contract or termination of my employment with my employer, whichever occurs first.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____

DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

EXHIBIT L2**CONTRACT FOR WORKERS' COMPENSATION MEDICAL AND DISABILITY
MANAGEMENT AND COST CONTAINMENT SERVICES****NON-EMPLOYEE ACKNOWLEDGEMENT AND CONFIDENTIALITY
AGREEMENT**

(Note: This certification is to be executed and returned to County with Contractor's executed Contract. Work cannot begin on the Contract until County receives this executed document.)

CONTRACTOR NAME

Contract No. _____

Non-Employee Name _____

GENERAL INFORMATION:

The Contractor referenced above has entered into a contract with the County of Los Angeles to provide certain services to the County. The County requires your signature on this Non-Employee Acknowledgement and Confidentiality Agreement.

NON-EMPLOYEE ACKNOWLEDGEMENT:

I understand and agree that the Contractor referenced above has exclusive control for purposes of the above-referenced contract. I understand and agree that I must rely exclusively upon the Contractor referenced above for payment of salary and any and all other benefits payable to me or on my behalf by virtue of my performance of work under the above-referenced contract.

I understand and agree that I am not an employee of the County of Los Angeles for any purpose whatsoever and that I do not have and will not acquire any rights or benefits of any kind from the County of Los Angeles by virtue of my performance of work under the above-referenced contract. I understand and agree that I do not have and will not acquire any rights or benefits from the County of Los Angeles pursuant to any agreement between any person or entity and the County of Los Angeles.

I understand and agree that I may be required to undergo a background and security investigation(s). I understand and agree that my continued performance of work under the above-referenced contract is contingent upon my passing, to the satisfaction of the County, any and all such investigations. I understand and agree that my failure to pass, to the satisfaction of the County, any such investigation shall result in my immediate release from performance under this and/or any future contract.

CONFIDENTIALITY AGREEMENT:

I may be involved with work pertaining to services provided by the County of Los Angeles and, if so, I may have access to confidential data and information pertaining to persons and/or entities receiving services from the County. In addition, I may also have access to proprietary information supplied by other vendors doing business with the County of Los Angeles. The County has a legal obligation to protect all such confidential data and information in its possession, especially data and information concerning health, criminal, and welfare recipient records. I understand that if I am involved in County work, the County must ensure that I, too, will protect the confidentiality of such data and information. Consequently, I understand that I must sign this agreement as a condition of my work to be provided by the above-referenced Contractor for the County. I have read this agreement and have taken due time to consider it prior to signing.

Initials of Signer _____

Contractor Name _____ Contract No. _____

Non-Employee Name _____

I hereby agree that I will not divulge to any unauthorized person any data or information obtained while performing work pursuant to the above-referenced contract between the above-referenced Contractor and the County of Los Angeles. I agree to forward all requests for the release of any data or information received by me to the above-referenced Contractor.

I agree to keep confidential all health, criminal, and welfare recipient records and all data and information pertaining to persons and/or entities receiving services from the County, design concepts, algorithms, programs, formats, documentation, Contractor proprietary information, and all other original materials produced, created, or provided to or by me under the above-referenced contract. I agree to protect these confidential materials against disclosure to other than the above-referenced Contractor or County employees who have a need to know the information. I agree that if proprietary information supplied by other County vendors is provided to me, I shall keep such information confidential.

I agree to report to the above-referenced Contractor any and all violations of this agreement by myself and/or by any other person of whom I become aware. I agree to return all confidential materials to the above-referenced Contractor upon completion of this contract or termination of my services hereunder, whichever occurs first.

I acknowledge that violation of this agreement may subject me to civil and/or criminal action and that the County of Los Angeles may seek all possible legal redress.

SIGNATURE: _____ DATE: ____/____/____

PRINTED NAME: _____

POSITION: _____

EXHIBIT M
COUNTY'S ADMINISTRATION

CONTRACT NO. _____

CHIEF ADMINISTRATIVE OFFICER:

Name: David E. Janssen
Title: Chief Administrative Officer
Address: 500 West Temple Street, Room 713
Los Angeles, CA 90012
Telephone: (213) 974-1101

COUNTY CONTRACT ADMINISTRATOR:

Name: Constance S. Sullivan
Title: Assistant Division Chief, Risk Management Branch
Address: 3333 Wilshire Boulevard, Suite 1000
Los Angeles, CA 90010
Telephone: (213) 738-2233
Facsimile: (213) 637-0822
E-Mail Address: csulliva@cao.co.la.ca.us

COUNTY CONTRACT MANAGER:

Name: Alex Rossi
Title: Chief Program Specialist, Risk Management Branch
Address: 3333 Wilshire Boulevard, Suite 1000
Los Angeles, CA 90010
Telephone: (213) 738-2154
Facsimile: (213) 637-0822
E-Mail Address: arossi@cao.co.la.ca.us

COUNTY CONTRACT MONITOR:

Name: Lloyd Pantell
Title: Program Specialist III, Risk Management Branch
Address: 3333 Wilshire Boulevard, Suite 1000
Los Angeles, CA 90010
Telephone: (213) 738-2112
Facsimile: (213) 637-0822
E-Mail Address: lpantell@cao.co.la.ca.us

EXHIBIT N

CONTRACTOR'S ADMINISTRATION

CONTRACTOR'S NAME DIVERSIFIED Healthcare services

CONTRACT NO. _____

CONTRACTOR'S PROJECT MANAGER:

Name: Souphany VANNAVONG
Title: MANAGER, BILL REVIEW
Address: 201 EAST SANDPOINTE #320
SANTA ANA, CA 92707
Telephone: (714) 918-2590 X 123
Facsimile: (714) 918-2595
E-Mail Address: SVANNAVONG@dhsi.com

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name: DAVE DYESS
Title: VP, CLIENT SERVICES
Address: 2430 CAMINO RAMON #200
SAN RAMON, CA 94583
Telephone: (925) 355-1426
Facsimile: (925) 355-3269
E-Mail Address: DDYESS@dhsi.com

Name: TARA L. Ambrose
Title: COO / SR. V.P.
Address: 201 EAST SANDPOINTE Suite 320
SANTA ANA, CA 92707
Telephone: (714) 918-2590 X 101
Facsimile: (714) 918-2595
E-Mail Address: TAMBROSE@dhsi.com

Notices to Contractor shall be sent to the following address:

Address: 201 EAST SANDPOINTE
SANTA ANA, CA 92707
Telephone: (714) 918-2590
Facsimile: (714) 918-2595
E-Mail Address: Thenson@dhsi.com

EXHIBIT O
ORDINANCE NO.

An ordinance amending Title 2 - Administration of the Los Angeles County Code relating to jury service policies of contractors of the County of Los Angeles.

The Board of Supervisors of the County of Los Angeles ordains as follows:

SECTION 1. Chapter 2.203 is hereby added to read as follows:

Chapter 2.203

CONTRACTOR EMPLOYEE JURY SERVICE

2.203.010 Findings. The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies.

2.203.020 Definitions. The following definitions shall be applicable to this chapter:

A. "Contractor" means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more such contracts or subcontracts.

B. "Employee" means any California resident who is a full-time employee of a contractor under the laws of California.

C. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:

1. A contract where the board finds that special circumstances exist

that justify a waiver of the requirements of this chapter; or

2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or
3. A purchase made through a state or federal contract; or
4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-3700 or a successor provision; or
5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, section 4.4.0 or a successor provision; or
6. A purchase card purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-281 0 or a successor provision; or
7. A non-agreement purchase with a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or
8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section PP-1100 or a successor provision.

D. "Full time"-means 40 hours or more worked per week, or a lesser number of hours if the lesser number is a recognized industry standard as determined by the chief administrative officer or the contractor has a long-standing practice that defines a full-time schedule as less than 40 hours per week.

2.203.030 Applicability. This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable.

2.203.040 Contractor Jury Service Policy. A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deduct from the employees' regular pay the fees received for jury service.

2.203.050 Other Provisions.

A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.

B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract.

2.203.060 Enforcement and Remedies. For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor.

2.203.070. Exceptions.

A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.

B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.

C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:

1. Has ten or fewer employees during the contract period; and,
2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed \$500,000..

"Affiliate or subsidiary of a business dominant in its field of operation"

means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

2.203.090. Severability. If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

EXHIBIT P

LISTING OF CONTRACTORS DEBARRED IN LOS ANGELES COUNTY

Vendor Name: Shobie Enterprises DBA Seahawk Construction
Principal Owners: Shamir Ahmad Qazi
Debarment Start Date: April 30, 2002 **Debarment End Date:** April 30, 2005

Vendor Name: Automation Data Solutions
Principal Owners: Renee Setero
Debarment Start Date: March 4, 2003 **Debarment End Date:** March 3, 2006

EXHIBIT Q

COUNTY OF LOS ANGELES POLICY ON DOING BUSINESS WITH SMALL BUSINESS

Forty-two percent of businesses in Los Angeles County have five or fewer employees. Only about four percent of businesses in the area exceed 100 employees. According to the Los Angeles Times and local economists, it is not large corporations, but these small companies that are generating new jobs and helping move Los Angeles County out of its worst recession in decades.

WE RECOGNIZE. . .

The importance of small business to the County. . .

- in fueling local economic growth
- providing new jobs
- creating new local tax revenues
- offering new entrepreneurial opportunity to those historically under-represented in business

The County can play a positive role in helping small business grow. . .

- as a multi-billion dollar purchaser of goods and services
- as a broker of intergovernmental cooperation among numerous local jurisdictions
- by greater outreach in providing information and training
- by simplifying the bid/proposal process
- by maintaining selection criteria which are fair to all
- by streamlining the payment process

WE THEREFORE SHALL:

1. Constantly seek to streamline and simplify our processes for selecting our vendors and for conducting business with them.
2. Maintain a strong outreach program, fully-coordinated among our departments and districts, as well as other participating governments to: a) inform and assist the local business community in competing to provide goods and services; b) provide for ongoing dialogue with and involvement by the business community in implementing this policy.
3. Continually review and revise how we package and advertise solicitations, evaluate and select prospective vendors, address subcontracting and conduct business with our vendors, in order to: a) expand opportunity for small business to compete for our business; and b) to further opportunities for all businesses to compete regardless of size.
4. Insure that staff who manage and carry out the business of purchasing goods and services are well trained, capable and highly motivated to carry out the letter and spirit of this policy.

No shame.

No blame.

No names.

**Newborns can be safely given up
at any Los Angeles County
hospital emergency room or fire station.**



In Los Angeles County:

1-877-BABY SAFE

1-877-222-9723

www.babysafela.org



State of California
Gray Davis, Governor

Health and Human Services Agency
Grantland Johnson, Secretary

Department of Social Services
Rita Saenz, Director



Los Angeles County Board of Supervisors

Glória Molina, Supervisor, First District

Yvonne Brathwaite Burke, Supervisor, Second District

Zev Yaroslavsky, Supervisor, Third District

Don Knabe, Supervisor, Fourth District

Michael D. Antonovich, Supervisor, Fifth District

This initiative is also supported by First 5 LA and INFO LINE of Los Angeles

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents to give up their baby confidentially. As long as the baby has not been abused or neglected, parents may give up their newborn without fear of arrest or prosecution.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially and safely give up a baby within three days of birth. The baby must be handed to an employee at a Los Angeles County emergency room or fire station. As long as the child shows no signs of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, workers will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their newborns within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?

In most cases, a parent will bring in the baby. The law allows other people to bring in the baby if they have legal custody.

Does the parent have to call before bringing in the baby?

No. A parent can bring in a baby anytime, 24 hours a day, 7 days a week so long as the parent gives the baby to someone who works at the hospital or fire station.

Does a parent have to tell anything to the people taking the baby?

No. However, hospital personnel will ask the parent to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the child. Although encouraged, filling out the questionnaire is not required.

What happens to the baby?

The baby will be examined and given medical treatment, if needed. Then the baby will be placed in a pre-adoptive home.

What happens to the parent?

Once the parent(s) has safely turned over the baby, they are free to go.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned by their parents and potentially being hurt or killed. You may have heard tragic stories of babies left in dumpsters or public bathrooms. The parents who committed these acts may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had nowhere to turn for help, they abandoned their infants. Abandoning a baby puts the child in extreme danger. It is also illegal. Too often, it results in the baby's death. Because of the Safely Surrendered Baby Law, this tragedy doesn't ever have to happen in California again.

A baby's story

At 8:30 a.m. on Thursday, July 25, 2002, a healthy newborn baby was brought to St. Bernardine Medical Center in San Bernardino under the provisions of the California Safely Surrendered Baby Law. As the law states, the baby's mother did not have to identify herself. When the baby was brought to the emergency room, he was examined by a pediatrician, who determined that the baby was healthy and doing fine. He was placed with a loving family while the adoption process was started.

Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a newborn, let her know there are other options.

It is best that women seek help to receive proper medical care and counseling while they are pregnant. But at the same time, we want to assure parents who choose not to keep their baby that they will not go to jail if they deliver their babies to safe hands in any Los Angeles County hospital ER or fire station.

Sin pena. Sin culpa. Sin peligro.

**Los recién nacidos pueden ser entregados
en forma segura en la sala de emergencia de
cualquier hospital o en un cuartel de bomberos
del Condado de Los Angeles.**



En el Condado de Los Angeles:

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Estado de California
Gray Davis, Gobernador

Agencia de Salud y Servicios Humanos
(Health and Human Services Agency)
Grantland Johnson, Secretario

Departamento de Servicios Sociales
(Department of Social Services)
Rita Saenz, Directora



Consejo de Supervisores del Condado de Los Angeles

Gloria Molina, Supervisora, Primer Distrito

Yvonne Brathwaite Burke, Supervisora, Segundo Distrito

Zev Yaroslavsky, Supervisor, Tercer Distrito

Don Knabe, Supervisor, Cuarto Distrito

Michael D. Antonovich, Supervisor, Quinto Distrito

Esta Iniciativa también está apoyada por First 5 LA y INFO LINE de Los Angeles.

¿Qué es la Ley de Entrega de Bebés Sin Peligro?

La Ley de Entrega de Bebés Sin Peligro de California permite a los padres entregar a su recién nacido confidencialmente. Siempre que el bebé no haya sufrido abuso ni negligencia, padres pueden entregar a su recién nacido sin temor a ser arrestados o procesados.

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura, dentro de los tres días del nacimiento. El bebé debe ser entregado a un empleado de una sala de emergencias o de un cuartel de bomberos del Condado de Los Angeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazalete y el padre/madre recibirá un brazalete igual.

¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden empezar el proceso de reclamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Angeles, al 1-800-540-4000.

¿Sólo los padres podrán llevar al recién nacido?

En la mayoría de los casos, los padres son los que llevan al bebé. La ley permite que otras personas lleven al bebé si tienen la custodia legal del menor.

¿Los padres deben llamar antes de llevar al bebé?

No. El padre/madre puede llevar a su bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, mientras que entregue a su bebé a un empleado del hospital o de un cuartel de bomberos.

¿Es necesario que el padre/madre diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital le pedirá que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para los cuidados que recibirá el bebé. Es recomendado llenar este cuestionario, pero no es obligatorio hacerlo.

¿Qué ocurrirá con el bebé?

El bebé será examinado y, de ser necesario, recibirá tratamiento médico. Luego el bebé se entregará a un hogar preadoptivo.

¿Qué pasará con el padre/madre?

Una vez que los padres hayan entregado a su bebé en forma segura, serán libres de irse.

¿Por qué California hace esto?

La finalidad de la Ley de Entrega de Bebés Sin Peligro es proteger a los bebés del abandono por parte de sus padres y de la posibilidad de que mueran o sufran daños. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Es posible que los padres que cometieron estos actos hayan estado atravesando dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus recién nacidos porque tenían miedo y no tenían adonde recurrir para obtener ayuda. El abandono de un recién nacido lo pone en una situación de peligro extremo. Además es ilegal. Muy a menudo el abandono provoca la muerte del bebé. Ahora, gracias a la Ley de Entrega de Bebés Sin Peligro, esta tragedia ya no debe suceder nunca más en California.

Historia de un bebé

A las 8:30 a.m. del jueves 25 de julio de 2002, se entregó un bebé recién nacido saludable en el St. Bernardine Medical Center en San Bernardino, en virtud de las disposiciones de la Ley de Entrega de Bebés Sin Peligro. Como lo establece la ley, la madre del bebé no se tuvo que identificar. Cuando el bebé llegó a la sala de emergencias, un pediatra lo revisó y determinó que el bebé estaba saludable y no tenía problemas. El bebé fue ubicado con una buena familia, mientras se iniciaban los trámites de adopción.

**Cada recién nacido merece una
oportunidad de tener una vida saludable.
Si alguien que usted conoce está pensando
en abandonar a un recién nacido, infórmele
qué otras opciones tiene.**

Es mejor que las mujeres busquen ayuda para recibir atención médica y asesoramiento adecuado durante el embarazo. Pero al mismo tiempo, queremos asegurarles a los padres que optan por no quedarse con su bebé que no irán a la cárcel si dejan a sus bebés en buenas manos en cualquier sala de emergencia de un hospital o en un cuartel de bomberos del Condado de Los Angeles.